

January 1946

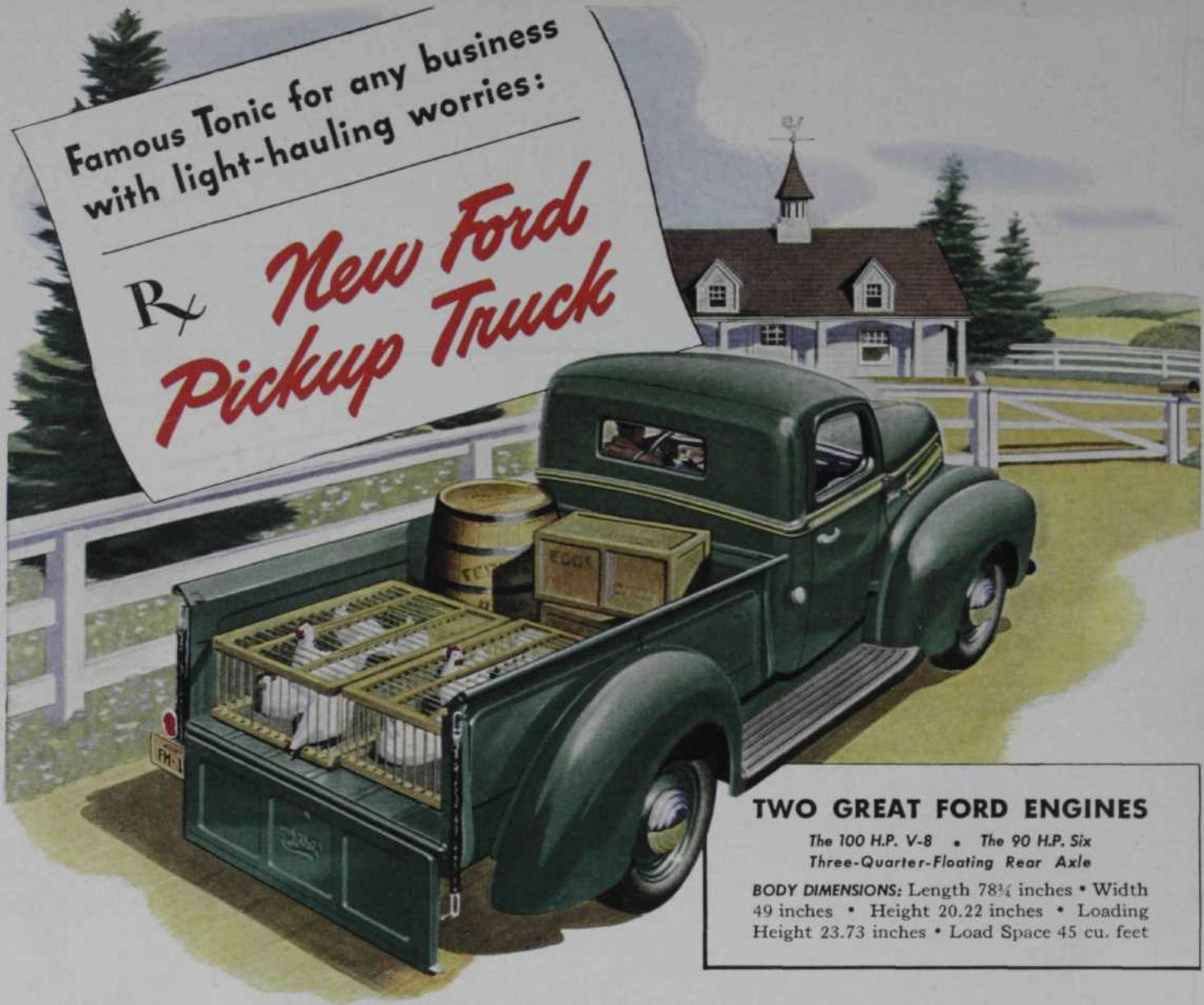
NATION'S BUSINESS



- ★ **AS I SEE MY JOB**
by Att'y Gen. Clark
- ★ **FIVE INVENTIONS
MAN NEEDS MOST**
- ★ **PRESIDENT TRUMAN'S
HOT POTATOES**

Famous Tonic for any business
with light-hauling worries:

Rx **New Ford
Pickup Truck**



TWO GREAT FORD ENGINES

The 100 H.P. V-8 • The 90 H.P. Six
Three-Quarter-Floating Rear Axle

BODY DIMENSIONS: Length 78 $\frac{1}{4}$ inches • Width 49 inches • Height 20.22 inches • Loading Height 23.73 inches • Load Space 45 cu. feet

New Ford Pickup Truck. Today's Ford Pickups are better trucks for *your* business. They're better trucks for *any* business. Exclusive Ford features and advancements make them roadworthy—streetworthy—farmworthy. Look below. You'll find advantages only Ford can offer—reasons why, year after year, registrations show "More Ford Trucks on the Road!"

MORE ECONOMICAL, MORE RELIABLE, MORE ENDURING THAN EVER!

TWO great engines—the rugged 100 H.P. V-8 with a score of important engineering advancements, or the 90 H.P. Six, for jobs that call for economical stop-and-go driving. Truck-type frame. Side-mounted springs. Three-quarter-floating rear axle with straddle-mounted pinion and 4-pinion differential. Four double-action shock absorbers. Note the generous dimensions of the heavy-gage steel Ford Pickup body, shown above—45 cubic feet of load space—wide enough for easy flat-loading of such 4-foot units as plywood or plasterboard (no wheel housings). Floor is heavy-gage steel-surfaced, with formed skid-strips and hardwood under-flooring. Tailgate, strong and rattle-free, swings full-down for loading.

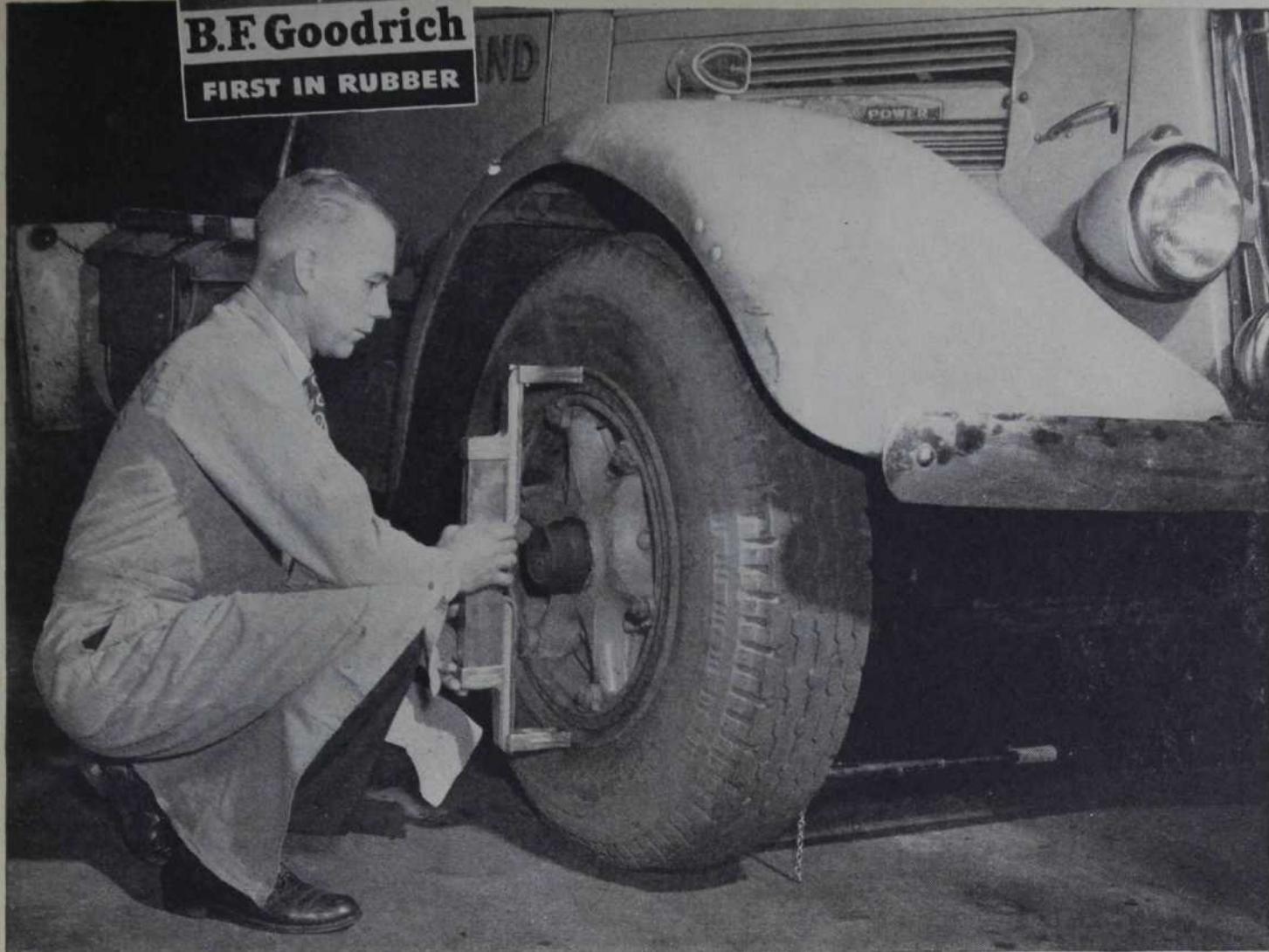
Priorities No Longer Needed.



See Your Ford Dealer!

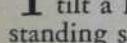
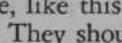
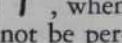
FORD TRUCKS

A development of
B.F. Goodrich
FIRST IN RUBBER



How we make our competitors' tires last longer

A typical example of B. F. Goodrich development in rubber

THE front wheels of a truck should tilt a little, like this  , when standing still. They should not be perfectly vertical, like this  or have an unequal slant, like this  . With the right tilt to start with, the wheels will be vertical when in motion. If they are not, steering is difficult, tires wear out rapidly. In the picture a B. F. Goodrich man is checking this tilt, or "camber", with a special device. He makes sure that it is exactly as recommended by the truck manufacturer.

Truck owners know that checks like this should be made regularly. This and dozens of similar ones. But some were invariably overlooked. As a result it was recently estimated that 9 out of

10 truck tires delivered less than their full mileage.

To solve this problem B. F. Goodrich organized a scientific program under which factory-trained tire men take over the complete supervision of tire maintenance for truck fleet operators. These men check everything that might affect tire life. The service is not limited to B. F. Goodrich tires. Mileages of competitors' tires are increased along with our own.

Here's what one user says: "We have been using the B. F. Goodrich Tire Conservation Program for approximately one and a half years and during this time our tire costs per mile have constantly decreased." Another writes: "We have never experienced any delay

in the operation of the 67 units in our fleet traceable to tire failure." And another, "In six months we figured a one-third increase in our tire mileage."

This program is a typical example of the result of research which goes on constantly at B. F. Goodrich. Research applied to tires for every purpose. If you own a fleet and would like to have more information about the truck tire preventive maintenance plan, write *The B. F. Goodrich Company, Room 250, Akron, Ohio.*

Truck Tires **BY**
B. F. Goodrich

FUNCTIONAL ANALYSIS CHART

- 64.3% of the income tax returns filed by corporations in the United States of America in the ten years preceding World War II REPORTED NO NET INCOME.

Failure to make money in business is generally traceable to functional weakness. Either something is being done that shouldn't be...something isn't being done that should, or something is being done at the wrong time, the wrong place or in the wrong way.

Write for full particulars on the new George S. May Company functional analysis plan.

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Nation's



Business

PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 34

JANUARY, 1946

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Cover painting by Charles De Feo

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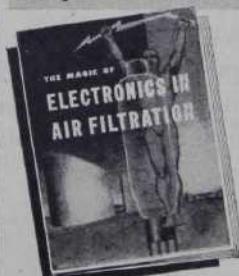
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May We Send You This Book?



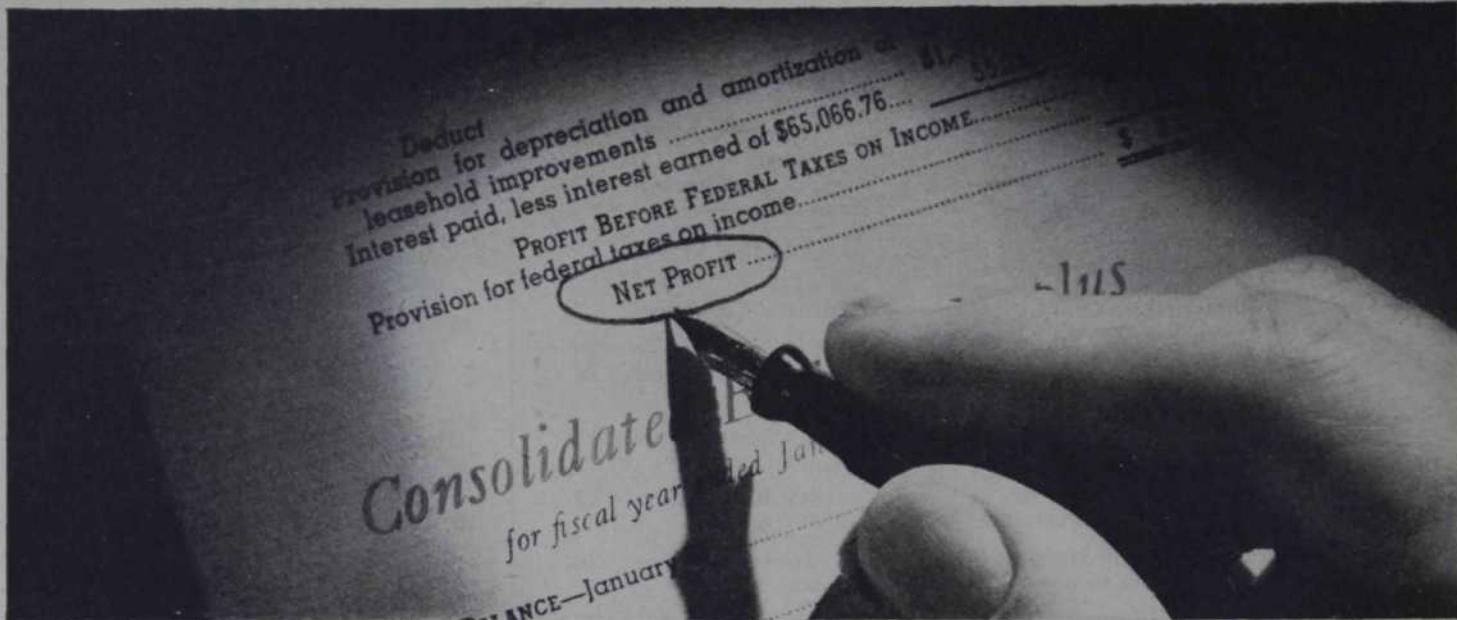
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what are profits?...



made of?

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Get the facts . . . No obligation

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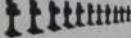
New folder 188 describes representative Bostitch models and may suggest an application you can use to speed fastening and lower costs. Write, today.

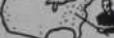
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ALL TYPES OF STAPLES APPLIED BY MACHINES
ALL TYPES OF MACHINES FOR APPLYING STAPLES

NB Notebook

Resolution

FOR THE first time in six years we exchange wishes for a Happy New Year with old-time fervor. There is no Rape of Poland or Battle of Britain to stir fears—no sweep of attacking planes on Pearl Harbor or Battle of the Bulge to make greetings sound hollow.

If the memory of those days does not pass, as once it did, then the first resolution of all men of good will turns staunchly to world peace.

"Resolved that in every way I can help—by vote, voice, letter, financial aid and prayer—war shall not happen again!"

Forecasts

THAT hardy perennial, the annual business review and forecast, blossoms forth again after the blight of the war years and we find some new petals on the old stalk.

In olden days it was a simple flower—bank loans, savings, employment and the state of trade. Today we hear of national income, fiscal policy, frictional unemployment, durable goods, excess refunds, tax engineering, consumer surveys and other technical terms galore that would have dismayed the distinguished guests at a Judge Gary dinner.

Who can doubt that we are really finding out what makes business tick? Sometimes it seems, though, that we are approaching the predicament of the centipede who was asked about his business of walking. Which foot came first? And when he stopped to figure it all out, he couldn't get started.

Jigsaw puzzle

EVEN with a mastery of the new measurements of business, economists have a complicated job set out for their forecasting efforts this year. They will have to use a lot of x's to denote unknown factors and probably come up with only one sure thing: there are huge war shortages to be made up, lots of money to do it with and sooner or later this pressure will bring the expected boom.

For more specific predictions, however, the influence of labor, taxes,

prices, war surplus, use of savings, population shifts and other important factors must be weighed. Then, as if this list wasn't already long enough, there must be added the "newies"—new materials, new processes and particularly new competition.

One sure bet is that consumption of midnight oil is zooming.

Stores of the future

AFTER World War I chain stores became the star performers in retail distribution and pushed department stores back stage. Now the figures seem to indicate that the big independents are up front again.

On a base average of 1935-39 as 100, department stores have climbed past the 200 mark, with the chain index around 166 and the mail order companies bringing up the rear at 120. The catalog houses, of course, suffered severe setback when the war wiped out hard goods which were their high ticket items. They are coming back fast.

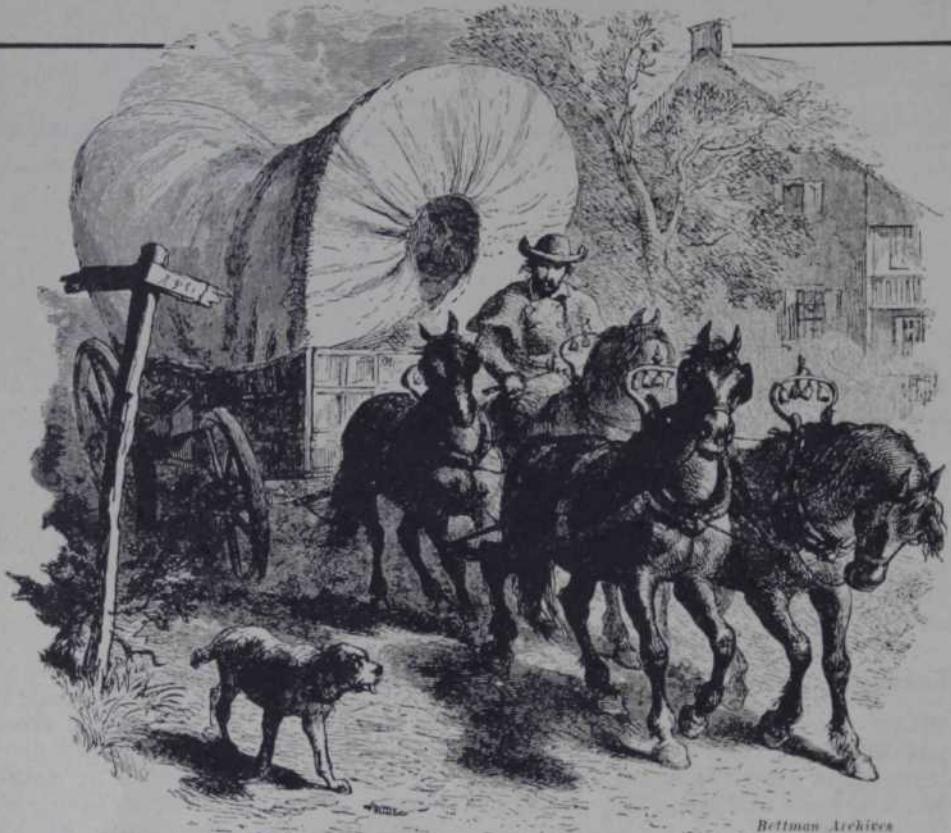
It may not be altogether correct to draw too much distinction between department stores and chains because expansion of the branch store idea means that the multiple department concerns are in fact becoming local chains. Moreover, national department store chains are expanding as well, so that the Filene theory that the "store of the future" will be a string of big stores, each department to be a unit of a chain, may eventually be borne out.

Man vs. machine

ON BROAD economic grounds it is easy to prove that the introduction of machinery which turns out more and better products at lower prices displaces workers only at the start and leads promptly to greater employment. To the displaced worker, however, this broad economic truth is small consolation. Maybe two other fellows get jobs, but he loses his.

Since the days of the Industrial Revolution, therefore, there have been sporadic outbreaks against mechanization of industry. Many so-called "featherbedding" practices stem from organized effort to maintain jobs. "Setting bogus" is

It certainly looks like cheap transportation



Bettman Archives

... but was it?

BACK in 1812, it cost 40 cents a pound to ship goods by Conestoga wagon from Boston to Charleston, S. C. . . . a distance of 900 miles. The receiver waited nearly 2 months for his merchandise. Loss and damage in transit was great. The cost per ton per mile was about 90 cents.

Today, on the Erie and other American railroads a ton of freight is moved safely at high speeds for an average cost to shippers of *less than 1 cent a mile!*

What makes the difference? Simply this:

Created and maintained by private investment, your railroads are *mass* transportation . . . scores of freight cars are moved by one unit of motive power. That's why the Erie and other railroads can provide the low-cost, dependable transportation which is essential to our modern standards of living.

Erie Railroad

Serving the Heart of Industrial America



printer's lingo for setting type is never used because the advertisement is cast from a matrix or engraved from work done outside the shop. "Stand-by musicians" in broadcasting and numerous other "make work" regulations are to be found in union contracts because the wheels of progress turned too fast.

With the prospect that industry will speed up its mechanization and apply many war-learned methods, it is interesting to have the conclusion of a survey made by the Twentieth Century Fund on "Trends in Collective Bargaining."

"Industrial efficiency," this study concludes, "has been both hampered and spurred by collective bargaining. Beyond question some unions obstruct technical progress. Equally beyond question some employers improved their production methods to meet increased costs occasioned by union demands. It cannot be said, however, that the former is cancelled out by the latter."

Tax engineer

A NEWCOMER to company executive conferences might be called the "tax engineer," the expert accountant who is called upon to say whether such and such an undertaking is advisable from a tax savings standpoint. He jumped into his role with a bang when Congress eliminated the excess profit levy and tax arithmetic swayed operations in the closing months of 1945.

This year the services of the tax engineer are likely to be in still greater demand to gauge the possibilities in carry-overs and carry-backs. And whether to make or lose money in the light of current and prospective competitive position.

Some weird results are expected to stem from tax regulations. Thus, the company that paid large excess profit taxes during the war has a refund "cushion" which will make it a tough competitor of the company which was in the lower brackets. Both of these established concerns have an advantage over the new company which enjoys no carryover. The tax engineer, therefore, will be a man worth listening to when production and marketing plans are being considered.

Distribution cost

ENGINEERS who hoped to see real progress made in reducing distribution costs by means of appropriate technical studies confess to some disappointment at the lack of interest which followed earlier enthusiasm. Accustomed to appraise their own problems as well as those of clients, they veer to the thought that there is so much money in business just now that finding new and more economical ways of distribution has little attraction. Net working capital has almost doubled over the war years, according to SEC.

Just like ordinary humans, business doesn't begin to save or to try to save until the till gets low and the pinch comes. When competition jumps into its

real stride, engineers feel that the cost of distribution will receive the attention it deserves because 59 cents of the consumer's dollar is charged to the process.

Comparing distribution costs with production costs, however, is an "academic" matter according to James J. Newman, vice president of the B. F. Goodrich Co.

"The thing that really counted was the overall unit cost," he told a sales executives' conference sponsored recently by the St. Louis Chamber of Commerce:

"The American system of advertising and selling, with all its faults," he maintained, "is undeniably the thing responsible for the mass consumption which supports efficient mass production and results in the world's lowest overall costs from mine or field or forest to ultimate consumer."

Talking to the press

WHEN they stopped to think about it, several executives of the National Association of Manufacturers wondered why it had taken them 50 years to hatch a stunt which featured one of the sessions of their golden anniversary convention last month. A dozen news and wire service men sat on the dais with association officers and put on an unrehearsed press conference. The subject was the association's industrial platform, copies of which were supplied beforehand to the newspaper men.

What the press conference was designed to do was to show reticent manufacturers in the audience how easy it is to "talk to the press" when the process consists merely of giving honest answers to honest questions and "no holds barred." It was a convention stunt but one aimed at a major target, getting the industrialist to provide some answers when too many times he lets someone else offer solutions that he knows won't work.

If only a few NAM members came away from the press conference determined to try one of their own upon a suitable occasion, the country ought to benefit. In fact, the gain ought to be in direct ratio to the disappearance of the phrase, "Mr. Smith has nothing to say."

In-plant feeding

SOME 7,000,000 workers are fed in manufacturing plants having in-plant feeding and, according to a survey sponsored by the Pan-American Coffee Bureau, a non-profit organization composed of the ten leading coffee-producing countries of Latin-America, a high percentage of companies intend to maintain their wartime facilities or increase them.

The survey covered 173 industrial plants in 47 cities. Of the plant managers interviewed, 96.3 per cent will continue food service and management favored at-the-job coffee service in 67.2

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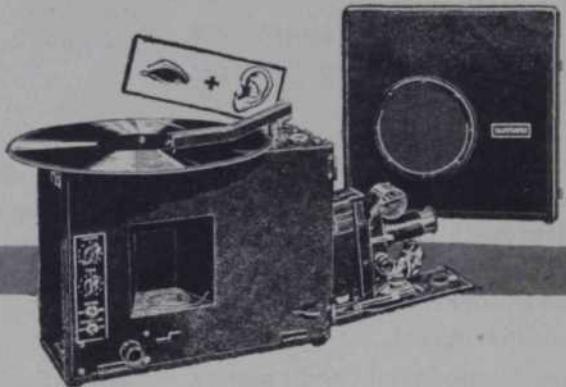
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per cent of the plants providing the service.

The Coffee Bureau folks were naturally concerned about finding out why coffee promotes job efficiency. So they came up with a figure of 39 per cent for the management officials interviewed who cited reduced absenteeism and labor turnover. They also found that accident rates went down and health and morale upward, according to another 75 per cent.

Gauging the populace

MARKETING experts not only have to do some tall figuring these days on population shifts, they also have their chore off population growth to do all over again. A few years ago a population peak of 151,000,000 for 1955 was predicted and, on the basis of that forecast, all manner of changes in consumer markets, employment, tax payments and insurance premiums were foreseen.

However, for the three and a half years ended July 1, 1945, births were 10,500,000 or almost 1,000,000 more than the Census Bureau predicted.

Manufacturers and retailers who keep in touch with what such research uncovers will know why some business is harder—and some easier—to get as time goes on.

Battle of the fibers

A RECENT chart of textile prices and consumption illustrates the fluctuating fortunes of the various fibers. All four of the major ones, cotton, wool, rayon and silk, slumped after 1929 but rayon, the artificial fiber, held fairly well to its new low price. And only rayon has continued its climb in consumption through the war years.

Wool had an early jump in use and has leveled off since 1941. The rise for cotton lasted a year longer but has turned down rather sharply. Rayon has a long way to go before overtaking cotton consumption. The 1946 forecast mentions 2,000,000,000 linear yards as against a possible 8,000,000,000 for cotton textiles. Price, however, is no small factor in the coming battle.

Brave new juke box

ONCE upon a time, stopping by at the neighborhood tavern one might count upon a bit of conversation above the jitterbug trumpets from the juke box as suitable refreshment was sipped. At intervals when Sinatra was singing hot and sweet, the hum of voices and the clinking of glasses might even drown out the crooner.

Science has taken care of that. A Kansas City manufacturer will soon be producing a juke box with electronic control which automatically adjusts volume to the surrounding noise. World problems won't get a word in edgewise if the thing works—and shouldn't UNO be notified?

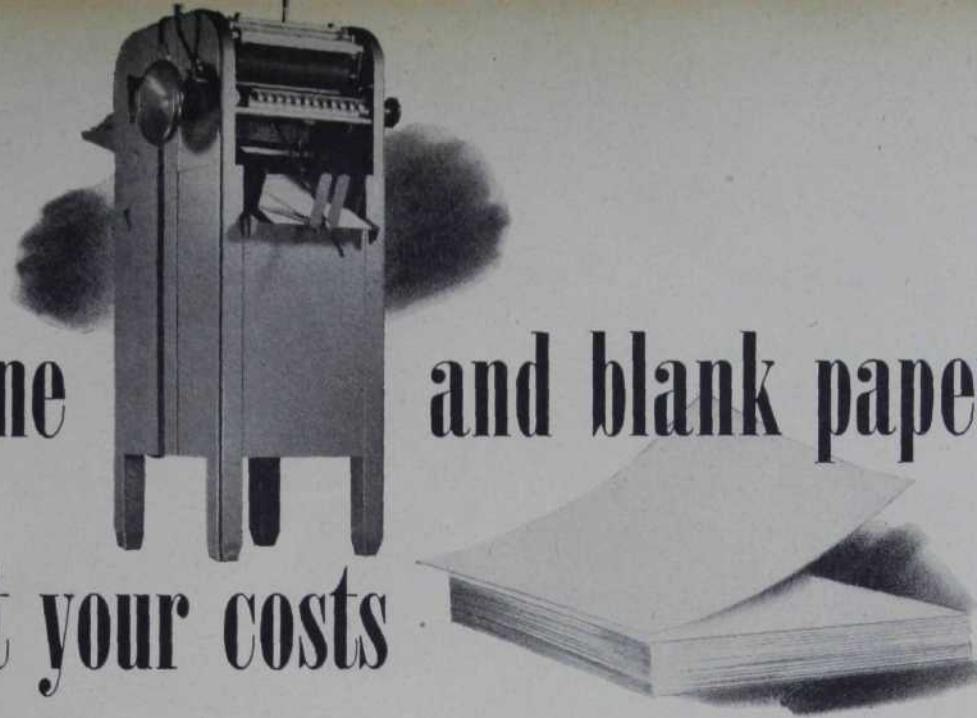
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health—fertilizers to make even more bountiful the good American earth.

Coal . . . the Willing Servant

Yes—and a ton of Bituminous Coal goes into the making of every ton of the steel needed for farm and factory machinery and equipment; of the steel used for making billions of "tin" can food containers. And coal powers more than 94% of America's railroad locomotives that haul our food to market. Add up all the myriad services of Bituminous Coal and you'll find that our very civilization depends on this magic mineral. That's why anything that affects coal mining also affects *you*—whether you actually burn coal or not!

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Out of every dollar of Bituminous Coal sales at the mines, the miners receive an average of over 60¢ in wages—the mine owners average about 2¢ profit.



No "Yes-Men" Here!

These are welding experts . . . men who use welding day in and day out — who know every quirk of electrode performance. Yes-men? Not they! To claims for better welding results, they have but one reply — **we'll see for ourselves.**

This is the only practical test . . . and for P&H electrodes, it starts right here at the P&H plant where these practical men use arc welding on more than 5000 applications — fabricating excavators, road machinery, overhead cranes and other products. P&H the **maker** is guided by P&H the **user** in producing the kind of electrodes industry needs — and in proving them before they are ever offered for sale.

In meeting the varied demands of users everywhere, P&H has developed America's most complete arc welding service. Machines and electrodes for both AC and DC use . . . welding posi-

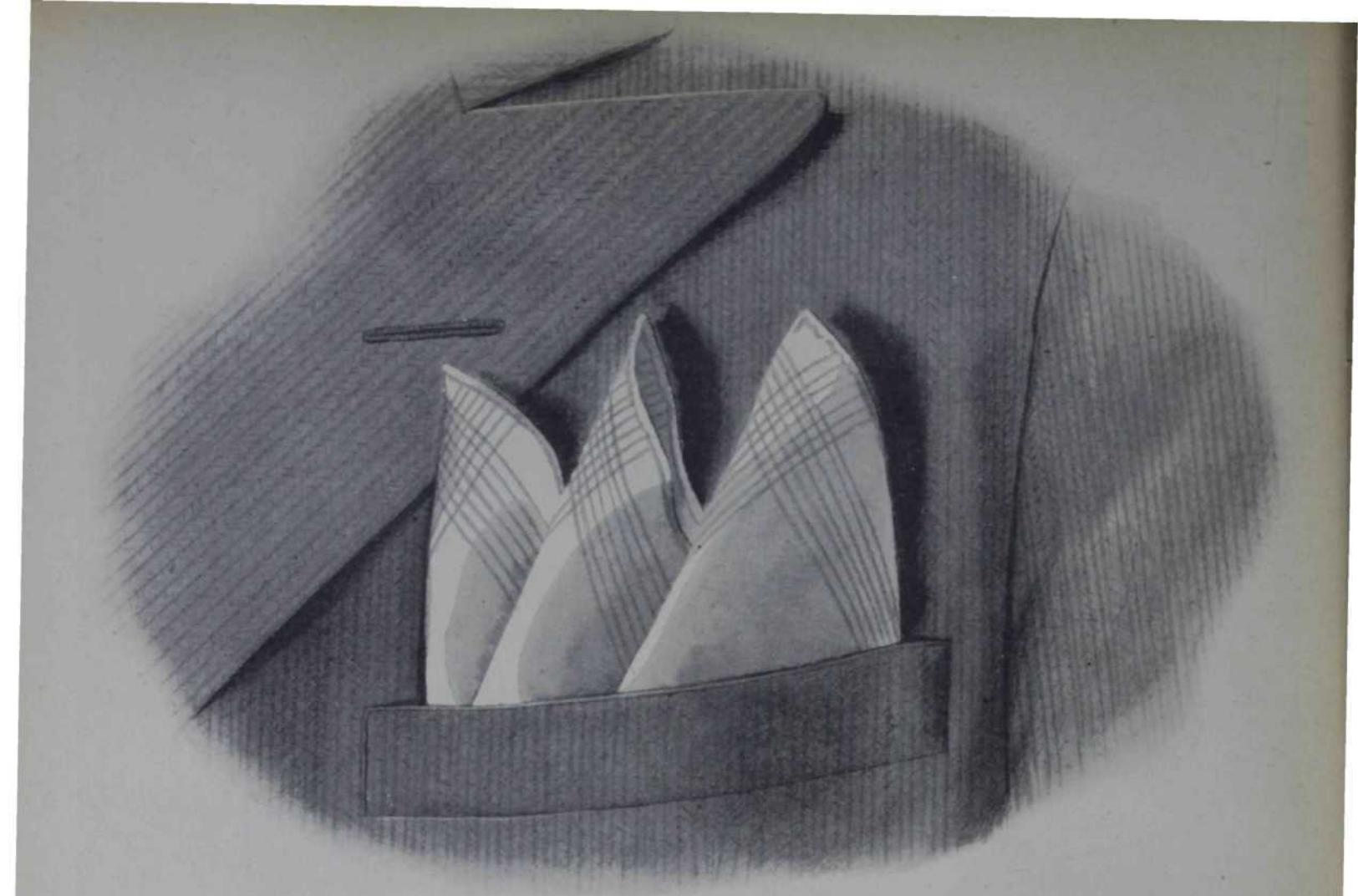
tioners and electric hoists . . . Production Welding Control Systems.

With this development has grown a staff of engineers schooled in every phase of production welding. Their experience is yours to command. In the days ahead — when welding will compete with welding — call on P&H, the **maker** with the **user's** interests.

P & H
HARNISCHFEGER
CORPORATION

Manufacturers of
Overhead Cranes • Electric Hoists
Excavators • Welding Positioners
Arc Welders • Welding Electrodes
MILWAUKEE 14, WISCONSIN

WELDING ELECTRODES • MOTORS • HOISTS • ELECTRIC CRANES • ARC WELDERS • EXCAVATORS



This Handkerchief Made Engineers Mop Their Brows

HANDKERCHIEFS have a thousand uses... to which we at American Viscose Corporation thought rayon could be well adapted. So we encouraged handkerchief manufacturers to make some experiments, and gave them all possible help.

Textile engineers went to work on the problem. Frankly, the first experimental rayon handkerchiefs were disappointing. They grew oblong when laundered... and they weren't very absorbent.

The engineers mopped their brows and went back at the job. You see, rayon fibers are man-made, with the advantage that their qualities can be "engineered" until they fit given needs.

Getting exactly the right combination of qualities into rayon handkerchief materials is a tough assignment *but much progress has been made!*

The results...?

Today spun rayon handkerchiefs are a popular item. They are soft and delightful to handle. They take dyes and hold them through launderings and ironings. They are relatively lint-free. They retain their dimensions. And they're so absorbent that they reach 100% saturation in just 10 seconds.

This is just another of the accomplishments of textile research engineering which is bringing Americans better things of rayon to live with and use.

AMERICAN VISCOSE CORPORATION

America's largest producer of rayon yarns and staple fibers

Offices: 350 Fifth Avenue, New York 1, New York; Charlotte, N.C.; Philadelphia, Pa.;
Providence, R.I.; Washington, D.C.; Wilmington, Del.

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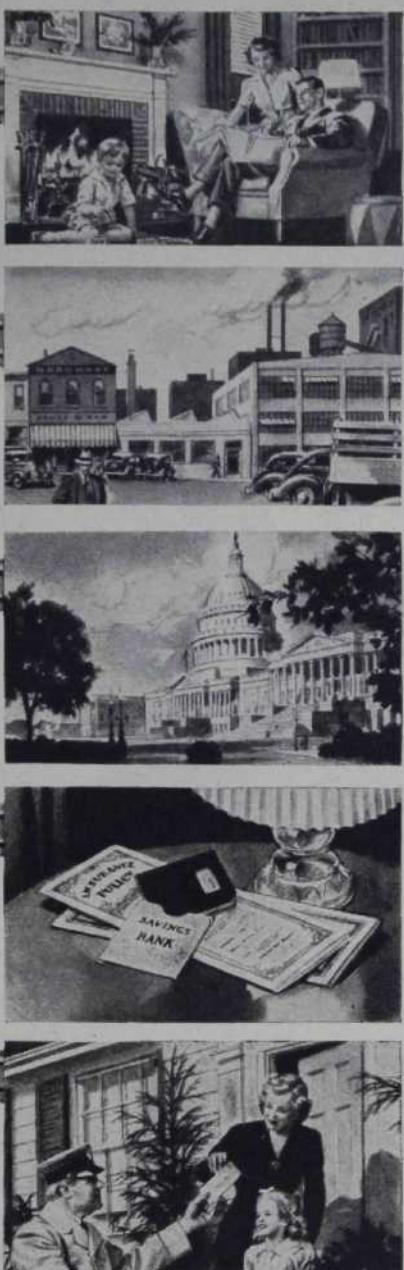
*A better way to
buy Rayon Fabrics*



This identification is awarded only to fabrics containing CROWN® rayon, after they have passed the CROWN Tests for serviceability.

RAILROAD DOLLARS

Switch Back to All of Us



2% TO WORK FOR THE FUTURE

That last 2 cents of the railroad dollar is for investment in the better railroads which continuing research is making possible—better equipment—better service—more jobs—to help provide, *for us all*, in better and better fashion, the rail transportation upon which this nation depends.

AMERICAN RAILROADS

In their essential service to the nation, the American railroads during 1945 again hauled an enormous tonnage of freight for an average charge of less than one cent per ton per mile, and carried millions of service and civilian passengers for fares averaging less than before the *First* World War. For this job the railroads received less than 9 billion dollars. And here's where the money went:

41% FOR WAGES

This money, paid to 1,400,000 railroad employees, buys homes and furniture, food and clothing, education, insurance—helps make local business prosper.

32% FOR MATERIALS, ETC.

More than two-thirds of this was paid to a broad cross section of industry which furnishes railroad supplies. This money helps to make better business and more jobs in every state and almost every county in the country.

16% FOR TAXES

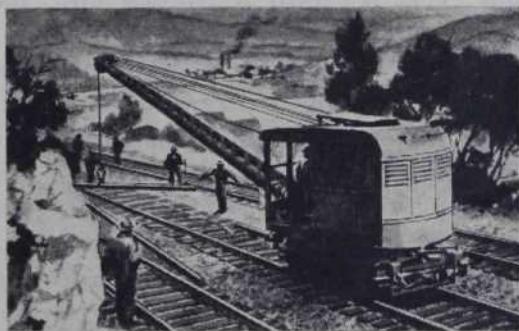
Railroad taxes are spent for the support and services of government—national defense, public safety, schools, hospitals. None of this money is used to provide tracks for trains—although some of it is spent by government to help provide and maintain the highways, waterways, and airways used by other forms of commercial transportation.

6% FOR INTEREST, RENTS, ETC.

The greater part of this was paid to those who have loaned money to the railroads and receive interest in return—including the millions of men and women who have an investment in railroads through their life insurance policies, savings bank deposits and the like.

3% FOR DIVIDENDS

This three cents out of each dollar was paid to about a million individual citizens who have invested their savings in railroad stocks—helping to provide the “tools” with which railroad employees do their work.





He takes sap from a tree without the tree!

ANOTHER REASON FOR GOOD^YEAR LEADERSHIP

Not long ago, Goodyear experts made history by producing an entirely new kind of cushioning material—Airfoam. They took liquid latex—the sap of the rubber tree—and “beat it” until it frothed up into air-filled foam.

When war stopped the flow of this sap, Goodyear attempted to make Airfoam from the man-made latex used in the production of synthetic tires. It was no go. Instead of remaining frothed, the synthetic latex flattened out. So Goodyear chemists started out to

create—in the laboratory—a new “sap.”

It took two years to do it. But, today, Airfoam made from this new synthetic latex gives you the same luxurious comfort you knew before—in pre-war Airfoam. It has that same remarkable resiliency or “come-back” that helped characterize Airfoam as “the greatest improvement in cushioning in one hundred years!”

Here, again, is a striking demonstration of how Goodyear research experts work to serve you.

A pioneer in rubber and the world's leading builder of tires, Goodyear also is an experienced worker with fabrics, metals, chemicals, plastics . . . constantly developing new products that will be more useful to you.



THE GREATEST NAME IN RUBBER

MANAGEMENT'S *Washington* LETTER

A last minute roundup by a staff of Washington
observers of government and business

► MOST BUSINESS PLANS for 1946 are based on expectation of a persistent upward trend in raw material prices, wages, and total production costs; but Federal Reserve sees no disturbing evidence of rampant inflation—if industrial production really gets going by spring.

Government commodity experts predict general wholesale price level may advance as much as 8 per cent in 1946.

Only exceptions to this general trend are farm product prices, rural land values and food prices.

► FOR THE NEW YEAR, Brig. Gen. Leonard P. Ayres, Cleveland Trust Co. vice president and noted business analyst, predicts:

National income (\$156,000,000,000 in 1945) will probably be about \$120,000,000,000 and will not differ from that amount more than 12.5 per cent.

Volume of industrial production, as measured by the Federal Reserve index, will average about 165; was 202 in '45.

Cost of living, now rising, probably will not average more than 10 per cent above present level.

Freight car loadings will probably be more than 37,000,000; will not reach the '45 total of 42,000,000.

Average stock prices, as measured by Standard and Poor's inclusive index of 402 issues, likely will not differ more than 15 per cent from present level.

Value of department store sales, as measured by the Federal Reserve index, will probably reach 220; was 205 in '45.

► NEW STABILIZATION policy acknowledges an increase of 33 per cent in living costs between January, '41, and September, '45.

To measure consistent upward movement of the wage-price spiral, recall that the Little Steel Formula—the previous stabilization level—was based on a 15

per cent advance in living costs between January, '41, and April, '43.

Coupled with this new definition of stabilization limits is the promise that wage increases may be considered in new price ceilings. But note that price adjustments can't come until effect of higher wage costs are shown. A period of 2 to 6 months may lapse between your price application and its approval.

Meanwhile retailers continue in hot spot until OPA abandons or modifies policy of "cost absorption" by distribution to cover factory price increases.

► WATCH FOR JUNE 30, the date OPA powers expire under existing law. Friends of extension are in minority on Hill.

Most wage increases will have been accomplished by that time. Then prices will find their own level in light of actual costs.

This is in line with original CIO re-conversion policy, announced last August—wage increases first, to be followed by higher prices, if necessary.

Such a round of increases would take Bureau of Labor Statistics wholesale price index up to approximately 116 of the 1926 base. (Now about 108.)

► TOTAL DEBT of U.S., public and private, is placed at \$384,000,000,000 by Commerce Department (\$2,743 per capita).

Total is about three times the same items at end of World War I.

Federal Government debt increased 400 per cent in 4 years ending June, '45, while all other debt categories—corporate, mortgage, consumer, and local government—were reduced considerably.

Key to national fiscal policy—and ultimate policy on prices—is found in the suggestion that "national income must be maintained at a rate sufficiently high to sustain the debt."

► INVENTORY CONTROL, under Civilian Production Administration's Priorities Regulation 32, is much more flexible than WPB's former Regulation 1. CPA limits each firm's holding (except capital equipment) to "a practical minimum working inventory reasonably necessary to meet his own deliveries or supply his own services on the basis of his current or scheduled method and rate of operations."

This means that only flagrant hoarding would bring federal prosecution.

► RFC WILL FINANCE surplus goods purchases under certain conditions. In Den-

ver, Miami and several other cities, RFC has accepted certified warehouse receipts as collateral. Field warehousing permits buyer to store surplus goods near point of acquisition, for direct, distribution without double haul and loading.

Field warehouse company takes custody of goods in name of purchasers.

Such loans may be arranged through local banks, Smaller War Plants Corporation, or under a joint participation arrangement, as may suit circumstances.

► ANNUAL RETAIL CENSUS covering 1945 operations, to begin in February, will cover 44 kinds of business, including filling stations, eating places, taverns, package-goods liquor stores, second-hand stores, plus regular prewar groups, as food, furniture, automotive, hardware, etc.

New census forms will be only a little larger than a postal card, will cover total sales for '44 and '45 and year-end inventories both years.

All reports are confidential under law and may not be used by any government agency beyond Census Bureau. Sample forms are now available from J. C. Capt., Director of Census, Washington 25, D.C.

► RUBBER INDUSTRY anticipates U.S. consumption of 900,000 tons in '46, about one-third of which will be natural gums from normal prewar sources; balance U.S. synthetic. (Our prewar consumption was about 600,000 tons.)

Recent London conference in world rubber outlook found rehabilitation of Far East plantations far behind schedule anticipated last September. Inland transport, wharf facilities and processing equipment must be replaced completely in many areas.

► SURPLUS AIRPORTS and ground facilities may be turned over to local governments for operation pending final disposal by Surplus Property Administration. Interim certificates may be issued by Army, Navy, or any other owning agency. States, cities, or smaller subdivisions may apply for rent-free leases, if they intend to negotiate for ultimate purchase.

► FOREIGN TRAVEL is opening up throughout Europe, but State Department cautions U.S. business men that getting over is much easier than getting home. Troop movements homeward jam every available space.

"Civilian travelers may expect a delay of from six months to a year in returning to the U.S."

► AIR EXPRESS rates go down 13 per cent effective Jan. 1; new cargo rates reach 750 cities; new coast-to-coast rate is 73 cents a pound, against 84 cents in 1943 schedule.

Special perishable commodity rates on foodstuffs, flowers and newspapers remain unchanged.

► ARMY JEEPS sell fast to veterans. First surplus lot of 10,000, reserved exclusively for veterans, sold in two weeks.

Used jeeps are scattered throughout 11 regions of RFC, but new vehicles are concentrated at Columbus, O., Belle Meade, N.J., Fort Crook, Neb., and Richmond, Calif. Price range on new jeeps is \$598 to \$782, depending on year made.

Veteran purchases must be certified first by Smaller War Plant Corp. Individual buyers may not bid until all priority bidders have been satisfied.

► FEDERAL ADMINISTRATIVE CODE is outlined in McCarran Bill (S. 7), reported favorably by Senate Judiciary Committee to curb the "headless fourth branch of the Government, a haphazard deposit of irresponsible agencies and unco-ordinated powers.

Chief purpose of bill is to limit administrative powers and crack-downs, "particularly in the rigorous field of licensing." It would require 30-day advance publication of all basic administrative rules and orders.

Senate Steering Committee anticipates floor consideration in February.

► WESTERN STATES face great industrial expansion in wake of wartime power developments, says former WPB Chairman Krug, summarizing federal surveys.

Seventeen states west of Kansas have but one-fifth of U.S. population, but are now equipped to provide 75 per cent of total electrical energy.

West and South together offer a far better market for industrial East than all export markets combined.

Decentralization of manufacturing now overcrowded in Northeast quadrant of U.S. will mark our next great era of expansion and prosperity, Krug predicts.

► EGG SURPLUS soon will test Government's price support program for agri-

cultural products. On basis of present farm flocks and consumption trends, 1946 will produce a surplus of about 35,000,-000 cases of eggs—far more than federal buying could absorb handily.

National Poultry Producers Federation asks House Agricultural Committee to approve price support for poultry until flocks are culled back to normal peacetime figures.

With end of meat rationing, egg consumption has declined from 385 per capita yearly to about 330 per capita. But production rolls along at the full wartime schedule.

Other crops entitled to support but yet to present their problems are—peanuts, cotton, tobacco, soybeans, corn, wheat, livestock and dairy products. When seasonal peak production hits the markets, government floors will get an expensive workout.

► SUGAR RATIONING should end in April, say congressional food investigators. Study estimates 6,500,000 tons available for U.S. civilians in '46, after allowing for normal year-end carry-over, military needs, exports, and local consumption in all off-shore areas. This would represent an increase of 1,500,000 tons (30 per cent) over U.S. civilian allocations in '45.

Congress takes no account of 1,600,000 tons found in Java. "From best information available...it would appear that not one pound of that sugar will become available for American use."

► RELIEF FOOD for Europe and China will total \$150,000,000 in January; UNRRA plans to maintain approximately that schedule during first 9 months of '46, if ships can be obtained.

Dimensions of European relief are only beginning to appear. One official summary reports: "The great need in all of the countries is for food, fuel, clothing, medicine, shelter materials, trucks, raw materials, and the means of at least making a beginning to rehabilitate devastated agriculture and shattered industry."

► COAL SHIPMENTS to Europe totaled 6,000,000 tons for August-December inclusive, about 75 per cent of tonnage allocated. Thus we start the new year about 2,000,000 tons behind on European allocations. September coal strike made October shipments barely 35 per cent of schedule; Philadelphia tugboat strike during November-December cut coal load-

ings to 30 per cent of capacity at that port. OWMR Director Snyder has asked Utah mines to consign overseas their considerable tonnage which formerly went to Geneva steel plant at Provo.

► COMPULSORY HEALTH INSURANCE finds few friends on Capitol Hill.

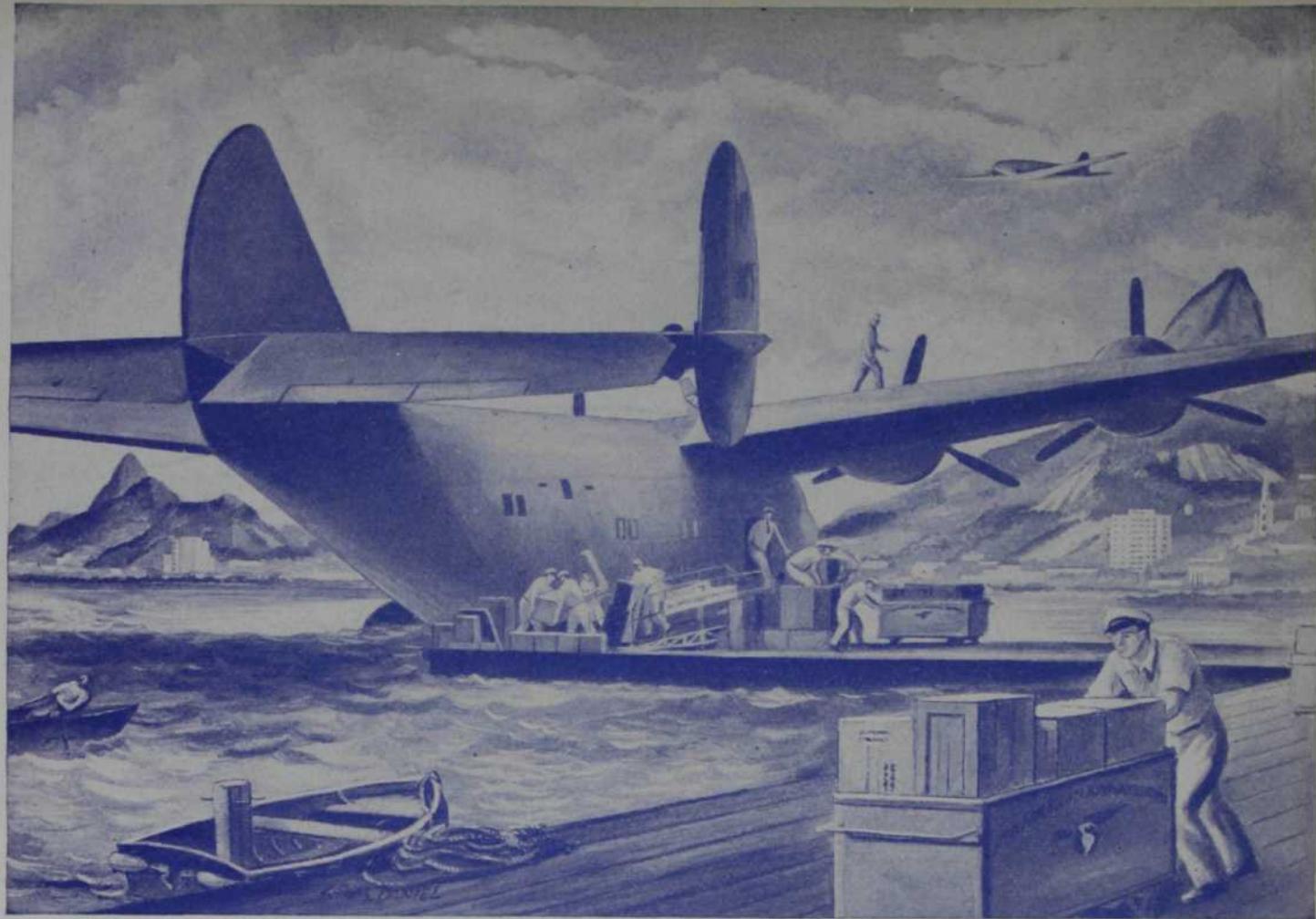
Public Health statistics show U.S. enjoys better health, lower mortality rate, higher longevity, less tuberculosis, lower infant mortality than any country having state medical care.

Census Bureau reports infant and maternal death rate in U.S. in '44 was "lowest ever recorded."

President Truman's figures on military rejections include millions of cases which medical science could not help under any system of community care.

House may refuse to consider revamped Wagner-Dingell program until sponsors submit pay-as-you-go pay roll tax plan.

► WASHINGTON BUSINESS BRIEFS: American Farm Bureau Federation vigorously supports President Truman's demand for legislation restraining labor unions; a significant breach in 12-year farmer-labor political alignment....New British-American loan agreements link the finances of U.S. and England for at least 50 years; England begins 2 per cent interest payments in 1951....Home building is throttled by OPA rent policies; current ceilings hardly cover taxes and interest on basis of today's building costs; a real bottleneck—and loaded with political dynamite....Treasury now shows a cash working balance around \$26,000,000,000, which is more than the federal debt in 1933....Full employment bill died a painless death on Capitol Hill, but no one yet knows who killed Cock Robin....Veterans Bureau reports 59 per cent of all hospitalized service men of World War II are neuro-psychiatric cases....Maritime Commission announces completion of wartime building program—5,573 vessels since January, '42, making 54,002,123 deadweight tons. ...RCA has listed all its patents for licensing, including some held jointly with GE, Westinghouse, and AT&T; Patent Office now lists 9,000 active patents available for licensing....Sen. Hugh Butler of Nebraska concluded a recent speech on federal finances: "75 minutes have elapsed since this afternoon session began. During that time the federal Government has spent more than \$9,000,000. It has added \$4,000,000 to the debt—your debt."



GOOD NEIGHBORS ARE *Also Good Customers*

The great buying power of Latin America, represented by a vast accumulation of available dollar exchange, is engaging the attention of American exporters as the United States again prepares to send goods in volume to her neighbor republics.

As our exports grow, the farmer in Chile will eventually get his new tractor; the Brazilian industrialist, new factory equipment; and our new household appliances will put a twinkle in the eyes of many a Colombian housewife. Our "good neighbors" are also "good customers."

The Chase Foreign Department can be of invaluable assistance to American exporters and

importers. For the Chase Foreign Department has long maintained close relationships with correspondent banks throughout Latin America, chosen for their efficiency in transacting foreign business as well as their intimate knowledge and understanding of local business conditions.

Through these correspondents, the Chase is able to offer aid, in the form of accurate information and complete facilities, to the American businessmen who will share in the coming great volume of trade. We invite you to discuss your products and your foreign sales problems with the officers of our Foreign Department.

Send for our folder "Import and Exchange Regulations of the Principal Countries of the World."

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My Job— As I See It

By TOM CLARK

Attorney General of the United States

THESE are communities where slot machines, though illegal, are operated openly; there are communities where the sale of liquor is illegal, yet bars and cocktail lounges are conducted openly. Occasionally, new officials are elected and the citizens ask whether or not they intend to enforce these particular laws. Not infrequently, candidates for public office run on a platform of law enforcement or *vice versa*. That law enforcement should ever be an issue is an old American custom.

Similarly, when a new Attorney General of the United States is appointed, the question arises as to whether he will enforce the laws under his jurisdiction. I am asked repeatedly what my policy is to be towards the antitrust laws. I assume that if I were to say I did not intend to enforce them, there would be quick action in Congress to impeach me, if the President did not move first.

Yet the question is not as simple as this. Enforcement of the antitrust laws does not fall in the same category as

RULES for the game of money-making are needed if opportunity is to endure, says Mr. Clark and he is prepared to enforce them



HARRIS & EWING

arresting a bootlegger or a slot machine vendor. The facts are that for a greater part of the time since the Sherman and Clayton Antitrust Acts were first passed late in the 19th Century, they have not been seriously enforced.

Theodore Roosevelt was labeled a trust buster. His activities against four or five industries characterized, to a large extent, his administrations. Woodrow Wilson was stopped from carrying on this work by the First World War.

Broad-scale enforcement

I THINK it is a matter of simple truth that the first broad-scale and really serious attempt at enforcement took place with the coming of the Roosevelt administration. It coincided with the economic revolution of the period. It was, indeed, a sizable phase of that revolution. Practices which had long been permitted in industry were broken up; restrictive trade practices, patent abuses, cartels. They had come to be a normal part of American life. These practices were the normal result of men trying to protect what they had, their businesses, their markets. These men had come down the long road of American development the hard way, struggling and fighting every inch of the way for the positions they had attained. They had attained these positions through a free and competitive enterprise system. But now having attained success they were reluctant to grant the same freedom to those who came after them. The attitude is as old as human nature. But to challenge these business men was to disturb business, as the expression went. It was to rock the boat.

But there came a time when the boat was rocked, and not by the Government either. The boat was not only rocked, the engine blew up with repercussions which affect us to this day and will for many years to come. The people of the country decided that many practices which had obtained in the past must go out the window. There is no gainsaying the fact that we have come through a tremendous transformation. Tremendous social reforms have been instituted. Business practices have been revamped.

It was during this transition that the Department of Justice came in for considerable criticism from the conservative press. The fact that the Department set out to correct practices which had for so long been accepted, and yet were in violation of the law, made startling headlines. We

were called crusaders, enemies of the American free enterprise system, reformers and revolutionaries, and often even less complimentary names.

I should point out right here, as bearing on what my policy is to be, that I am not new to the Department. I have been a member of the team for eight years. And at no time do I recall that I sat on my haunches and thought of what I would do if only I were the head of the team. Indeed, I never anticipated that I would be the head. During these eight years I claim my share of the credit or blame that is the Department's due.

This period of reform, or revolution, however, has run its course. This, to my mind, is important for business and industry to understand. It did not end on my becoming Attorney General. It had come to an end through the sheer force of circumstances. The new base of practices which will not be permitted under the antitrust laws has been definitely laid. It is there for everybody to see. There is not the slightest reason why anyone acquainted with antitrust procedures, any lawyer who has followed the new rules—the interpretations that have been handed down by the courts—should not know just what will and will not be permitted in the future. There should be no reason for uncertainty.

No new crusades

YES, manifestly, we intend to enforce the laws handed to us to enforce. But it might fairly have been asked in the past just what were the antitrust rules in a given case? Now, however, as a result of what has happened in recent years, the courts have written volumes on the subject and it is not my policy to rewrite or ignore them. For the first time, the antitrust laws have been thoroughly explored and interpreted by the courts of the land.

This does not mean, of course, that there are not debatable cases still pending, many questionable trade practices yet to be determined by the courts. It doubtless will ever be thus. We do not look for the millennium when there will be no need for the Department of Justice. But we do not have anything up our sleeves, no new crusade to embark upon. The undetermined cases are all listed. The industries concerned know about them. There are 117 cases as this is written of which some 25 were held in abeyance during the war at the request of the War and Navy Departments. They are now to be redocketed. They are all to be pursued.

Among them are cases against du Pont and Imperial Chemical Industries, General Electric Company, American Optical Company, Bausch & Lomb Optical Company, Allied Chemical & Dye Corporation, and the suit against the Western Railroads. The case against the American Petroleum Institute and numerous oil companies was also postponed for the duration, although not at the request of the War and Navy Departments. Frankly, it is my hope and belief that most, if not all, of these cases can be satisfactorily settled but, if not, they will be vigorously prosecuted.

There are, however, no new issues involved in these cases with the exception, perhaps, of that against the Western Railroads, and the so-called investment bankers' case. They might be said to constitute a broadening of the application of the antitrust laws. They might be termed "surprise" cases, in that, particularly as regards the Western Railroads, the practices complained against have been pursued for so long that some were surprised that anyone should challenge them.

Misunderstanding of rates

THERE seems to be a lot of public misunderstanding about this railroad case. We are not challenging the rate-making authority of the Interstate Commerce Commission. We are charging the roads with collusion in violation of the antitrust laws, in the way in which they get together and prepare their rate structures for submission to the Commission. We charge that in their practice a carrier is prevented from seeking to lower its own rates and that competition is therefore stifled. If the courts decide with us, the result will be that the carriers will simply have to cease their practices.

We can't see this as an attack on the railroad industry, or even the western portion of it. It is simply a case of calling a referee to determine whether that which the railroads are doing is permissible or not. This is also what is involved in the investment bankers' case.

In this connection, there has been a sharp departure in the Department's policy of two or three years ago. It was not instituted by me but I wish to emphasize it.

My predecessor first instituted criminal proceedings against the Western Railroads. These were dropped and civil proceedings instituted. It is my policy to use civil proceedings unless there is a willful vio-

(Continued on page 101)

Inventions Man Needs Most...

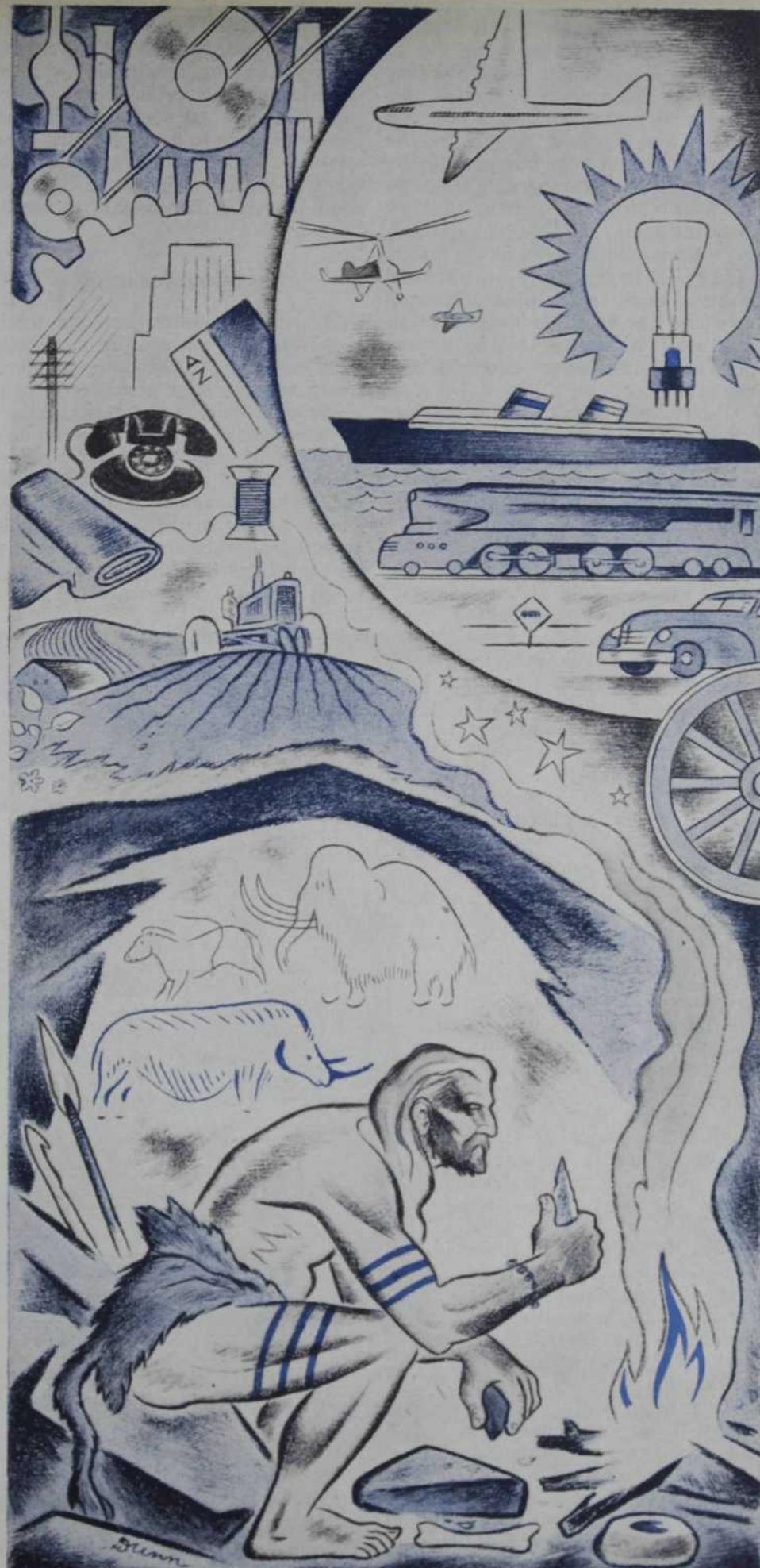
1. Cheap Atomic Power
2. Weather Control
3. Power without Wires
4. Low-cost Fabrics
5. Mass-production Homes

By DON WHARTON

EVERYONE recognizes that if mankind is not to stand still, we must have more and more inventions. Everyone realizes, too, that we are going to have more, because inventions breed inventions at geometrical rates. In this country alone before the war we were spending up to \$345,000,000 a year on scientific research. The war saw annual government research expenditures alone approach \$750,000,000. With peace, industry apparently is pushing extra sums into research. Inevitably, out of all this sowing will come bumper crops of inventions. What are the ones we most need?

Often one can see the future better by taking a step back into the past. Let us imagine a Cro-Magnon man at his cave near the end of the Paleolithic Age. Someone is asking him what inventions he needs. He's stumped. He cannot say "the wheel" because, if he could say it, he could invent it. But he can say what he needs to be able to do.

He says he would like some better way of getting clothes—and the answer, coming thousands of years later, is new processes and new products, spinning and weaving machinery, synthetic fabrics such as rayon



and nylon. The Cro-Magnon man sits around the fire, listening to legends and songs. He says he would like to hear the legends and songs of other firesides—the answer is motion pictures and radio. He remembers his father was a great singer and he wishes he could hear him again—the answer is the phonograph whereby we hear Caruso a quarter century after his death. The Cro-Magnon man says he would like to move faster, send goods to far places—the answer is autos, ships, trains, planes. He says he would like to let his brother, seven hills away, know that they have some good meat on the fire—the answer is the telephone.

Today, when we sit around our fireplaces we can also ask: what do we need? We do not think of the actual machines or the actual products, perhaps, but we think of the things we need to do which we can't do, or the things we need to do more quickly, less laboriously. What are those things? This article is an attempt to answer that question, not by pondering alone before a fireplace nor by conducting a Gallup poll, but by questioning scientists, going into their laboratories and offices, asking what they think we need.

These scientists, research men, directors and assistant directors of the research laboratories of some of our largest industrial corporations, have been working on the inventions which are today part of our everyday life. They are the partial creators of our present. For the purpose of this article, they have taken a look into the future—not to predict possibilities but to analyze and measure needs. In engaging the minds of these top-flight men it was advisable, of course, to let them speak confidentially—so as not to involve their companies in headlines built on out-of-context quotations and so as not to cripple their thoughts by compelling an exactitude of phrasing necessary when one speaks for publication.

It will probably surprise many laymen to learn how concerned these scientists are about our social rather than technological needs. Most of them wanted to talk about mankind's present plight and the necessity of some social advances if we are to survive. The cold, imper-

sonal scientist of fiction is as rare as uranium. Here is a research man, working continually in alloys, saying "More than any invention, we need Christianity." Here is another saying, "The greatest need is for human beings to learn to live together." And another: "The first thing needed is for our social scientists to discover some powerful disinfectant to sterilize wars."

Less time for labor

ONE scientist said that his main hope was that "in getting more and more comforts, in reducing our labor itself, we may have a chance to progress spiritually and intellectually."

These social needs are outside the province of this particular article. So are medical cures. A cure for cancer, which causes some 163,000 deaths a year in this country alone, could hardly take second place to any technological invention. But the same could be said for a number of other

cure for insanity? Or a technique for completely rehabilitating criminals? Or a personality governor which would prevent the accidents which have caused 355,000 deaths since Pearl Harbor? Or electrical sight for the blind?

"The idea would seem chimerical," said Dr. Willis R. Whitney, retired director of General Electric's Research Laboratory. "To me it is quite conceivable. I would not consider it any more astonishing than many things that have already been done with electricity in wires. The optic nerve is like a wire connecting the retina or seeing screen with the brain. If we knew more than we do of the process of creating, giving sight to the blind, through a device acting on the optic nerve either directly or by induction, might be a practical stunt. We now have television. Why not optimism?"

Also let us exclude our needs for a perfect this and a perfect that. Obviously we need "a perfect anesthetic," "a perfect lie-detector," a perfect anything, but such discussion is futile. If one were interested in needs of that sort he would simply have to draw up a list of human activities and note down that we needed a perfect medicine, to cure anything; a perfect vehicle, that would go anywhere; a perfect food, that would grow anywhere; and so on. . . .

Similarly, we need not spend much time on our needs for better fuels or better fertilizers. Patently, we need "a better anything," and quite probably we'll get it. Talk of this type reveals the limitations of human minds. Where would autos be today had everyone fifty years ago been bent on getting a better buggy rather than eager to get a horseless carriage?

Often out of search for improvements comes something entirely new, unexpected. Bell was trying to help the deaf when he hit upon the discoveries that resulted in the telephone. Our plastics industry, from safety glass to nylon, was born when John Hyatt, a 26-year-old printer, son of a country blacksmith, set out to win a \$10,000 prize for a new material for billiard balls. He hit upon "Celluloid." Edison was helping improve his newly invented electric (Continued on page 98)



We cannot picture tomorrow's machines but our needs give us a hint of what to expect

cures—the various diseases of the heart kill nearly 400,000 Americans a year. To include the medical field in our inquiry would virtually mean to exclude everything else. And what could be more greatly needed than a

Beware of False Fronts!

By EUGENE LYONS

THE HATE PEDDLERS are emerging from their holes and—posing as superpatriots—they will soon be fishing again for the use of your name and dollars

WHETHER the Congressional committee to investigate un-American activities, originally known as the Dies Committee, has earned its keep and publicity in the years of its existence is still widely argued. But it has achieved at least one thing that merits wider recognition.

It has enriched the American language with a number of colorful new words and phrases in the realm of political racketeering.

The committee's labors have given currency, for instance, to *fellow traveler*, *transmission belt*, *innocents club*, *false-front organization*, *Trojan-horse tactics*, *party line*, *boring from within*.

All that is to the good. A nodding acquaintance, at least, with the lexicon of political lunacy is to be highly recommended to all sane citizens. It may save them some day from contributing their names or checks—or both—to one of the more pernicious "ism" rackets. It may even inform them that they are right now among the innocents in some booby club or among the dazed warriors in the dank belly of some Trojan horse.

So let's inspect these words, merely as one convenient method of examining the strange phenomenon behind them.

The vocabulary has been associated largely with Communist techniques of propaganda and organization; in fact, the Communists coined most of them. But it is a vocabulary that applies equally to the "isms" of the extreme Right, dedicated to the propagation of extreme wrongs. As

to which of these is the greater danger, I leave that to the ancient order of hair-splitters. Having made a reasonable study of both brands of unreason, I am convinced that, in the interests of our national health, they should both be diagnosed and quarantined with the same fervor.

A fellow traveler may be the unseen menace who keeps you awake snoring in the upper berth. But, in the political sense, he is more obnoxious, more of a menace and just as close to you. In any Fascist or Communist enterprise, a fellow traveler is a person unwilling to go all the way but quite content to trot along part of the way on the road to chaos. He stops this side of murder, but sees "some good" in his favorite totalitarian movement and therefore helps prepare the murder weapons and corner the victim for the kill.

Fellow traveler is a helper

THE phrase was first used by Leon Trotsky to describe writers who had not accepted the revolution but were willing to work with the revolutionists. It has since been found useful in describing people who, while too smart or too timid to go whole hog for some crackpot ideology, join in on a limited-participation basis. They're the parlor pinks, the parlor browns, the part-time Führers generally.

Take Joe Doakes, business man. He doesn't really approve the Hitler phi-



"Ism" racketeers have a habit of working behind a mask of Freedom and Light

losophy. He has no burning desire to exterminate all Catholics, Jews, foreign born, New Dealers, redheads and freckled Americans—that is to say, all Americans unlike himself. But he sees no harm in contributing a little cash, or even giving the use of his name, to groups devoted to that objective.

The "hatriots" need only invoke his support in the name of the Constitution, American Destiny, White Supremacy, Anglo-Saxon Leadership, superpatriotism, mother and the flag—and poor Doakes comes across. He is a pushover for high-pitched "crusaders" against mysterious "conspiracies" by sinister unseen elders in Wall Street, Rome or Geneva, as the case may be. If he doesn't actually join one of the excited organizations, he subscribes to their magazines, attends a few of their secret meetings (come one, come all!), or forks over some money.

Mr. Doakes is a typical fellow traveler, whether he knows it or not. Fascist and semi-Fascist rackets thrive on his complacent, misinformed, muddle-headed support.

Or, at the other end of the ideological scale, take the Rev. Dr. Joseph Doakes, who considers himself a "liberal" and therefore lines up automatically with any group that misuses

words like Progress, Justice, Friendship and Democracy. He is not knowingly a partisan of murder but, if solicited on a properly liberal letter-head, he readily approves the slaughter of political opponents by the Kremlin. Why shouldn't he join something that calls itself League for Peace and Democracy, or the Sharecroppers' Aid Committee, or Friends of Spanish Democracy, to mention only a few beguiling titles? When the American Youth Congress or the American Writers Congress holds a session in his city, why shouldn't he grace its list of sponsors or speakers with his respectable titles? After all, he's for youth, for writers and for congresses.

Promoting the party line

A LITTLE investigation would show the warm-hearted and reverend gentleman that such groups are *innocents clubs, transmission belts and false fronts* for the Communist idea. Behind their ostensible purposes, usually decent enough, is the real purpose of promoting the *party line*, or in plain English, the current pro-

rades who pull the strings. But the Rev. Dr. Doakes makes no such investigation, because he, too, is a typical fellow traveler. Once he permits himself to be snared into one of the ideological outfits, he is easy prey for the others. Before long his name decorates a long array of false-front leagues, congresses, committees, societies, mobilizations and crusades, and he begins to feel himself a man of weight in public affairs.

There are two general types of fellow traveler at the totalitarian Right and Left alike. The first is conscious of what he is doing. He actually approves the causes which he supports though, for various reasons, he prefers not to go the limit. The second, who is vastly in the majority, is the pathetic innocent, roped into something he would despise if he understood it. He is the fellow who thinks he is plugging for democracy when he is merely obstructing it; who thinks he is aiding a patriotic cause when he's only helping a patriot to make a dishonest living.

It is because most of the hasty joiners are of that pitiful variety—innocents—that the organizations

structured his comrades "to systematically utilize mass organizations as transmission belts to the broad masses of non-party workers." In testifying before the Dies Committee, Earl Browder and others, with the frankness of cynicism, actually referred to various supposedly "independent" organizations as transmission belts. What a shock that must have been to the Rev. Dr. Doakes!

But if the phrase is of the Left, the method which it sums up is not limited to the Left. There are mass organizations of Americans, presumably dedicated to the defense of our institutions, which in fact are merely transmission belts for ideas of racial and religious hatreds, know-nothing nationalism, vigilante violence against weak minorities. They may call themselves Christian Front or Christian Mobilizers, Citizens Protective League, Anglo-Saxon Federation, Christocrats, Commoners, but they are concerned with the un-Christian business of stirring up trouble for unpopular neighbors.

Out-and-out Nazi transmission belts flourished in our land before Pearl Harbor put them out of business. Under ultra-American slogans, paid agents of Berlin, directly or in connivance with the German-American Bund, set up organizations which were transmission belts for Hitlerite ideas. With the war over, many of the propagandists are coming out of their hide-outs and going into the old line of business again. The millions of veterans, in this difficult period of readjustment, represent a happy hunting ground for the transmission-belters. Those asked to join or support some new veteran outfit, if they have any self-respect, will make sure to investigate *who* started it and *why*. Already a dozen organizations in the field are intent on filling the servicemen's minds with their particular brand of hate.

Rackets for mothers

THE mothers of veterans, too, have been the objects of campaigns to corral them into innocents' stockades. In July, 1944, the *Woman's Home Companion* did the country a service with an article on "The Mother Racket," by Patricia Lockeridge. It showed how half a dozen organizations, headed up by hysterical purveyors of anti-democratic obsessions, were appealing to women in their sacred role (Continued on page 91)



Bankers, industrialists, professors, and \$5,000-a-week Hollywood "proletarians" were suckers for the party-line stuff

gram of the Communist Party. Behind the window-dressing of innocents and stooges (to whom the manipulators sometimes refer contemptuously as "decorations") is the tightly organized minority of com-

are known by their promoters as innocents clubs.

The transmission-belt phrase was injected into our language one day in 1931 when a Comrade Hathaway, writing in the Communist press, in-

How a Modern Strike is Run

By CARLISLE BARGERON

DESPITE the efforts of men of good will, there will always be strikes. Labor is not going to give up this weapon. Minnesota law provides for a cooling off period, so does the National Mediation Act covering railroad workers—and a similar period is contemplated in the unsuccessful Smith-Connally Act and the fact-finding proposal of President Truman—but in the end, the right to strike remains. Basic emotions of men are involved, inalienable rights.

Strikes do not come solely from wage disputes. Sometimes, sheer boredom or frustration among the workers is the underlying factor. Recently the Washington bus and street car operators struck in violation of



PRESS ASSOCIATION



The picket line seems to be accepted today as a substantial boundary against the workers' return to the job

a provision in their contract with the company to arbitrate disputes. They demanded a 30 per cent increase; but the high jubilee with which the men went on strike and went back to work the next day indicated that many of them were simply tired of going home at night with nothing more exciting to tell the "Little Missus" than about

the arguments they had had with the passengers that day. They wanted to drop a "crisis" in her lap.

Not infrequently men strike simply because they want to assert themselves—to experience an inner dignity. There is a lot of fun, a glorious feeling, in occasionally telling the boss to go to hell. In times of tension

Now, a strike usually has the support of a majority of the workers involved

WIDESPREAD propaganda has largely replaced violence in strikes but resulting damage can be just as real

there are more strikes than otherwise. Observers predict that the next few months may set some unhappy records. Since a strike affects the entire community, no company can be entirely immune from the results.

It is worth every business man's time, then, to understand how strikes are run and to become familiar with

(Continued on page 105)

President Truman's Hot

PRÉSIDENT TRUMAN now has moved far out of the honeymoon and deep into the headaches. Most of the hot potatoes that victory and its repercussions have tossed into his hands are still with him. Some are getting hotter. Among them are:

Reconversion, his home front problem No. 1, on which the foreseeable future of the nation depends. Bungled, it will bring catastrophe. He knows it.

The National Economy, which is under an unprecedented strain through a \$266,000,000,000 debt and a habit-forming urge for spending, and which must be kept strong if the country is to survive.

Unemployment, which though lower in 1945 than the wolf-cries anticipated, was on the rise, with the solution resting between healthful and dangerous remedies.

Strikes which got under way before the fighting stopped and attained alarming proportions at least a month before the Administration announced a wage-price policy that left both sides unsatisfied and confused. This policy, developing later into a fact-finding program that gave Congress its first bilateral labor dispute proposals from the White House in 12 years, spelled both legislative and political trouble for the President in 1946 and perhaps beyond.

A delegation of powers and functions which the President must do because no President can handle the job alone. Some of his delegations thus far have raised questions as to his choices of trouble-shooters and advisers. Weak spots have shown up in his Cabinet at vital points.

Congress, the President's good personal friend, which has already had him saying that it has let him down, when it has only (in its view at least) been independent, as he staunchly contended it should be.

Controls which held the country willingly in line in war but which now, despite the spectacular ending of red-point rationing, persist in vital

reconversion fields and must be abandoned at the right time. There is, and will continue to be, controversy over that "right time."

Peace, which our Government was enthusiastically committed to maintain, with arms if necessary, and which is not yet secure. Peacetime "realities" have set in bluntly and widely. Internationally, the President has a tremendous, terribly delicate mission ahead, playing personally and through his agents, against greater experience.

Rehabilitation abroad which was accepted as one of our major post-war obligations. UNRRA, though carried forward by a second \$1,350,000,000 pledge for 1946, has run into political—and other—trouble; and the world food plan, vital to millions of humans, is traveling a rough road.

Elections which are coming up this year. The campaigns will include the issues of 1948. The 1946 Truman record thus is not for 1946 alone.

The circumstances are unusual.

Mr. Truman, who came sadly and reluctantly into the Presidency, found thrust upon him one of the sweetest honeymoons in our time. He wore the hair shirt before his first six months were up.

The international situation was confused and turbulent. The first Foreign Ministers' Conference failed utterly. New explosions continue within the United Nations. Quibbling has developed over the UNO. There is more trouble at home in ignored or drastically modified presidential recommendations. "Realities" set in on the labor-management front also.

The situation at the opening of another year is not pleasant. It calls for a lot of governmental pitching—over the plate and with no curved balls.

Washington and the country are still finding surprises in many presidential actions. They don't know whether they are the works of the President or of his advisers, and few out in the country know who the advisers are. Not too many in Washington do. They see apparent efforts to weld into a single whole the policies

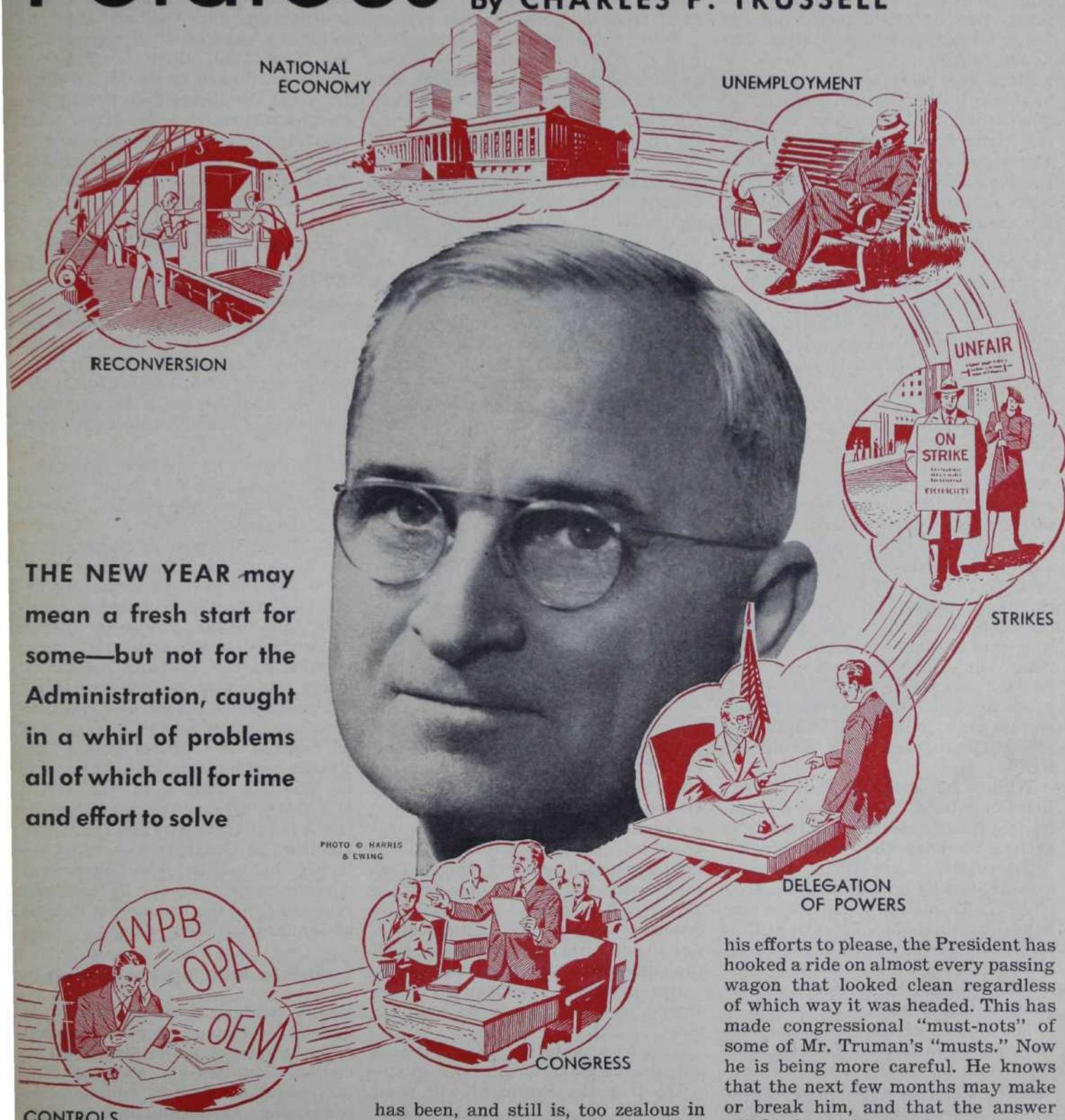
and programs of Chester Bowles' OPA, John Snyder's OWMR, the departing Judge Rosenman's quiet suggestions and interpolations, and Phil Murray's CIO. They can't see how all these things will jell. Year-end developments indicate (the strike-stopping plan, as one example) that they won't.



The President's personal popularity remains high in Congress, but it is tempered by a feeling of deep disappointment in Democratic quarters over the reverses he has courted and got. The effect of this out in the country is causing concern. Steps have been taken to get the President out

Potatoes

By CHARLES P. TRUSSELL



THE NEW YEAR may mean a fresh start for some—but not for the Administration, caught in a whirl of problems all of which call for time and effort to solve

PHOTO © HARRIS & EWING

has been, and still is, too zealous in seeking ways to please without weighing his exceptional know-how as a former Senator against his eagerness to carry the Roosevelt banner onward. (Some segments of organized labor say he has fallen short on this). There is a feeling, too, that, in

his efforts to please, the President has hooked a ride on almost every passing wagon that looked clean regardless of which way it was headed. This has made congressional "must-nots" of some of Mr. Truman's "musts." Now he is being more careful. He knows that the next few months may make or break him, and that the answer will be drawn largely from the progress made in the reconversion program.

Reconversion may not be wholly completed in 1946, despite the Administration view that it is almost over with the clearing of war plants.

among the people, for he, too, has charm when he gets among the folks, but it has been a bad time for that, and travel plans have been curtailed.

To many in his camp, Mr. Truman

Whether it results in prosperity or the opposite depends vitally, it is conceded outside the federal set-up, on governmental policy, attitude and action during the months to come.

Mr. Truman almost shouted that he didn't want to be Vice President. Many who are close to him believe firmly that he would rather not run for a second presidential term. But he has to run.

Moreover, every move he makes is an issue in two campaigns, that of 1946 which will give him again or take from him the House majority (highly essential though balky, with the Republicans now needing only 27 seats, and with GOP bigwigs contending that they may pick up these and the necessary nine Senate seats, too), and that of 1948 when his record will compose the issues, whether he is running or not.

South is rebellious

MR. TRUMAN is making this record, in Congress at least, with the same coalitions which plagued President Roosevelt still operating though softened up a bit by his latest labor stand. But on other matters he is not pleasing the Southern Democrats any more than did the man he succeeded.

These Southerners may, and probably will, return to the fold in 1948, as they did in 1944 after months of threat but there is no assurance thus far that they will be too concerned over congressional returns up North next year if Mr. Truman obeys organized labor's demands for "progressive" legislation such as the "full employment" bill, the \$25-top unemployment program and a permanent FEPC.

While CIO, with its Political Action Committee (an effective specialist in primary election "purges") is getting so busy that congressional "conservatives" are trying to curb its activities by law, Dan Tobin, head of AFL's Teamsters' Union (who also helped nominate Mr. Truman at Chicago) has served notice. If the President doesn't get "progressive" legislation, through, he warns, Labor is going to take a walk.

The November municipal elections provided signs. In New York City Mr. O'Dwyer's mayoralty landslide convinced Democrats that Governor Dewey can be beaten in 1946 and that the State will go Democratic in 1948. The Detroit election showed at the same time that, although CIO's political machine cannot win by itself (and it was not by itself in New York) it is virtually unbeatable in a coalition. CIO prefers to unite with

the Democratic Party if it plays ball.

In the face of this President Truman "fell out" with the CIO (according to President Murray) on strike legislation. Many in Washington do not take this quarrel too seriously. They don't think that the CIO would take a walk into the GOP camp, or away from the polls, for that matter.

Being a man of Congress, Mr. Truman counted on it heavily. Congress counted on him with equal hope. But they knew each other too well. When legislative recommendations go to the Hill, these former colleagues view them as they feel Harry Truman would have looked upon them as a Senator from Missouri. When individual legislators agree, it's: "Fine, let's put this through." When a recommendation is against personal or home state or district opinion, it's: "He knows he can't get that through," and actions follow accordingly.

In some respects, Congress has taken over the Government. Though the President has dropped his easy smile for the grim jutted jaw, his record thus far has been one of half loaves or nothing, when controversy is developed on domestic issues. Some of the half loaves of 1945 are holding on to become headaches and hot potatoes in 1946.

Inflation and deflation

MR. TRUMAN knows there can be only a continuing, constant battle against the twin threats of inflation and deflation. That is why, when post-VJ Day strikes had got under way, when OWMR economists said that industry could increase wages by 24 per cent without raising prices—and the President named no percentages but talked that way in his policy speech—the country got a shock and a signal. The Administration proposed an approximately \$10,000 annual increase for all key officials (excepting the President), along with a 20 per cent increase for 860,000 government workers, who got an average 15 per cent raise last spring, with the admonition that the Government—the greatest employer of all—should lead the way in pay adjustment.

This leadership has been followed outside the Government with gusto.

Whether the President will wind up on the "Right" or on the "Left" is still not known to the people or, apparently, to Mr. Truman. He suggests that future actions be watched for the verdict. Mr. Truman has been careful not to walk away from the New Deal. When he has seemed to do so, he has been reminded. This

happened when he was revamping the Cabinet.

Secretary Ikes stayed on largely through the intercession of key members of the Congress at which the "Old Curmudgeon" had directed his most devastating oral darts, when it seemed that the President was so overhauling his Cabinet that he might be charged with repudiating the New Deal. Much of Congress would have liked to see Mr. Wallace leave the Commerce Department, but he was secure from the start, after what happened at Chicago and in view of his personal following and the course which the Truman Administration was taking.

Economy becomes important

WHILE the presidential message to Congress in September was notably lacking in proposals for slashing expenditures, Mr. Truman has convinced even Sen. Harry F. Byrd of Virginia, the Treasury's No. 1 watchdog at the Capitol, that he is "more economy-minded than President Roosevelt ever was."

The President will have his opportunity to confirm this in his streamlining of the war-swollen federal establishment.

In filling the post of Secretary of the Treasury, Mr. Truman appears to have put the revenue-gathering assignment into the best hands available, those of Mr. Vinson, a veteran of Congress, a tax expert and a man popular on the Hill and beyond it. There was a compromise in the first tax reduction bill that had had congressional attention in 16 years, but, as enacted, it followed closely the Vinson recommendations. There was no political danger in the entire \$5,920,000,000 revenue cut, either for the Administration or the individual members of Congress who voted for it. It left 12,060,000 low-income Americans grateful for having been released from the income tax rolls as of January 1.

Strikes hold up production

BASIC materials are available in quantity. Adequate supplies of all but a few production materials needed by civilian factories are at hand. The tax reductions were to stimulate reconversion, expansion and employment and to increase consumer purchasing power. But the door was opened to strikes, as events brought out boldly, through declarations and edicts that wages could go up while prices remained in harness. In De-

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Britain Must Be Generous, Too

By U. S. Senator CHAPMAN REVERCOMB



IF AMERICAN dollars are to rebuild England's foreign commerce, then she should remove the trade restrictions that surround her empire

THE United States has been asked to lend Great Britain \$3,750,000,000 under the terms of a tentative agreement now before Congress.

This agreement will not be effective unless Congress approves. Before granting that approval, Congress must weigh and consider the interests of the United States. The American manufacturer, business man and worker—the taxpayers who contribute to the loan—may wonder whether such generous assistance will give the United States and other nations greater access to the closely guarded British empire of trade.

One of the provisions of the tentative agreement is for a world conference next summer to consider the broad problems of international

trade. Whether or not the agreement is ratified by Congress by that time, the conference itself can have little more than advisory effect.

With Germany, Japan and others eliminated from world trade, the United States and Great Britain emerge into greater roles than ever before in international commerce and in the economies of other nations. Though the Soviet Union shares the political and military stage, it plays a minor role in international finance and trade. In the latter, the United States and Britain will set the world pattern.

Congress has granted the President authority to make further 50 per cent tariff reductions on imports from countries which have reciprocal

trade agreements with the United States. American markets will be more accessible to other nations. However, the United States will not get full, or even fair, benefit of a world-wide exchange of goods unless the other great trader nation, Great Britain, relaxes the controls which hedge in its foreign commerce.

Despite a popular impression that Great Britain is a free trade empire, its tariff walls and defenses against imports are more discriminatory than any tariffs of the United States. The two countries follow different basic principles in foreign trade.

Both agree that an individual, or a nation, cannot buy unless he sells something to get cash or credit for the purchase. Their policies separate

from there. Britain insists on bilateral trade and the United States promotes multilateral trade. When a British concern buys in a foreign country, the seller receives credit in pounds sterling, London being the financial center of the Empire. Following the lines of bilateral trade, the sterling will be used to buy exports from the Empire.

Under the American practice, except for Export-Import Bank loans, a foreigner who acquires a dollar credit in the United States is free, for all we care, to transfer it, through trade or otherwise, to any or to as many countries as he desires. Regardless of the number of transfers, something will be bought eventually in the United States to change the bank credit into merchandise. Multilateral trade encourages a free flow of commerce through the world. The British bilateral trade plan encourages commerce for Britain alone.

Restrictions which are imposed to hold British trade with other countries in the bilateral channel are in three broad classes. In ascending effectiveness, they are:

1. Imperial preference tariffs

2. Import and export quotas

3. Currency exchange control

Other countries also have the two latter controls in varying forms, several including government monopolies of specified or of all commodities, as in the Soviet Union. However, no other country's impact on world trade compares to that of Great Britain—an Empire of 13,354,000 square miles and 558,000,000 inhabitants, more than one-fourth of the world's area and population.

Imperial preference makes this a closed economic preserve stretching around the globe. While the Kingdom, dominions and colonies in the unit may have such tariff barriers against each other as suit individual needs, they usually have higher rates of duty on imports from other countries. Hence, the name imperial preference. Only Nigeria, the Gold Coast in Africa and British mandates under the defunct League of Nations are outside the closed circle.

The United States contends that dominions which have independent policies at world conferences, act as independent states, sign treaties, and have ambassadors and ministers in

Washington, must be independent in trade relations.

However, those who profit from the discrimination in the closed area insist they are as much part of one nation as any of our 48 states and also ask, "How about your own preferential tariff with Cuba?"

Will not abandon preference

OUR past experience, disillusioning, and seldom mentioned, teaches that Britain will not abandon imperial preference unless a substantial consideration is received in return. And yet some talk of immense loans to them to sustain and enlarge their practice.

In 1918, No. 3 of President Wilson's 14 points called for "the removal, as far as possible, of all economic barriers and equality of trade among all nations consenting to the peace." The "as far as possible" was the loophole for imperial preference.

In 1941 the Atlantic Charter pledged its signatories to "endeavor, with due respect to their existing obligations, to further the enjoyment of all states, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world." The mutual aid agreement between the United States and Britain which followed in 1942, amplified the pledges to eliminate dis-

commit Britain to abolishing imperial preference.

The draft of the agreement now before Congress provides also for modifications that can be "agreed upon after consultation" following approval of the contract by the legislative bodies of both nations.

Preferential tariffs and monopoly of colonial trade by the home country existed centuries before our country ceased to be an English colony. A comparative few years in the life of the Empire gave Britain the reputation of being a free trade nation. Imperial preference was approved at the colonial conference of 1894, and Canada was the first to put it into effect—in 1897. It was effected by increasing tariffs on foreign imports from 10 to 35 per cent, instead of reducing those on imports from empire members to bring a corresponding reduction in the cost of living.

Tariffs cut our trade

THE colonies and dominions next demanded preferential tariffs for their exports to the United Kingdom. The British Government took the initiative in 1920. The first Ottawa conference followed in 1932, and all doors against the outside were closed.

In 1920, the first year when imperial preference was adopted as an empire policy, only 39 per cent of our

exports went to British countries, compared to 43 per cent in the previous year. The percentage rose in subsequent years, dropped in 1932 when restrictions became tighter, and again started upward. In some lines, as lumber from Washington and Oregon to Australia and New Zealand, exports from the United States stopped while other lines showed a natural increase to make our national trade balances about the same. The percentages show the big part which imperial preference countries, in spite of the discrimination, have in the foreign

trade of the United States.

Trade with the United States is so important to the United Kingdom and Canada that each has signed a reciprocal trade agreement similar to those we have with 26 other countries. Other self-governing dominions in the Empire, except New Zealand, also extend most favored nation treatment to imports from the United States and receive the same equal

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American workers feel that branch factories abroad mean fewer jobs here at home

crimatory tariffs and trade barriers.

It was not until April 21, 1944, that Prime Minister Churchill disclosed to the House of Commons that he had inserted "with due respect for their existing obligations" in the charter for the express purpose of exempting imperial preference and that he had refused to sign the mutual aid agreement until President Roosevelt definitely assured him that it did not

Forecast of Retail Trade for '46

By JACK B. WALLACH



RECORD-BREAKING retail sales are in the cards for '46, if labor conditions are stabilized in time to realize maximum production. Consumer goods output by next June should be double, and could be triple, the 1939 rate.

The principal reconversion industries will be in a position to employ twice as many workers as in 1939. Increased employment at high wages would provide abundant purchasing power and assure unprecedented prosperity.

To get an accurate picture of what vastly expanded consumer goods production means in terms of retail sales, consider that easily 70 per cent of the entire increase in retail sales from '39 to '45 resulted from higher prices.

It is a familiar story now how higher wages and material costs, combined with OPA price ceilings, forced manufacturers to abandon lower-price lines.

In 1945, the quantity of goods bought by consumers was probably less than 16 per cent greater than in '39, when retail sales totaled \$42,000,000,000 as compared to 1945's estimated \$74,000,000,000.

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THE YEAR ahead will bring goods aplenty to please every member of the family. Sales will soar. But the merchant won't find the going easy. By the end of '46, there may be twice as many stores as last year—and competition will be keener

Talking Turkey with

Agreement:

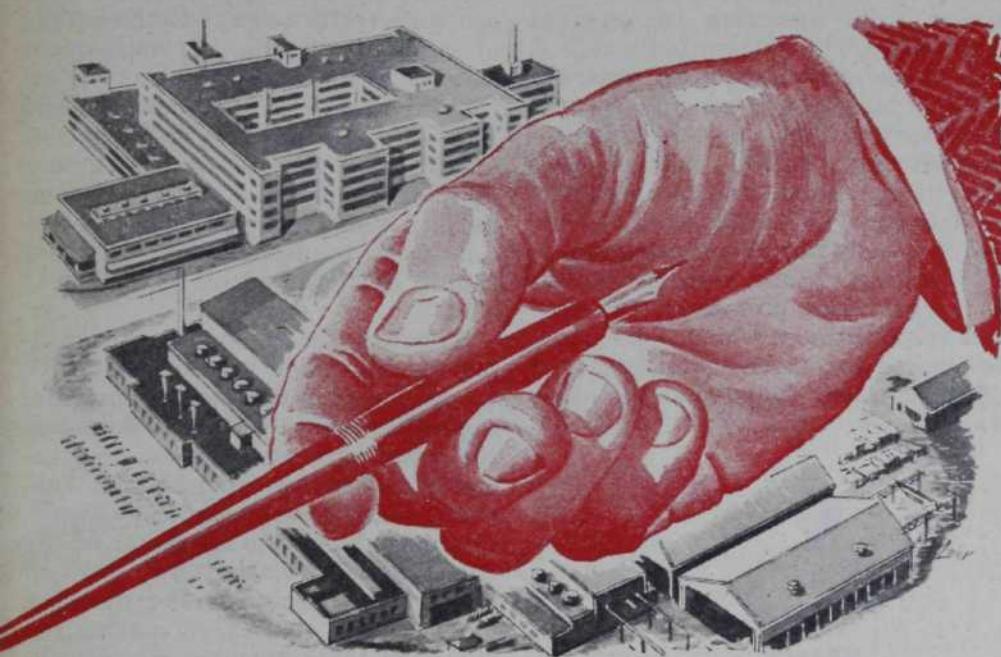
A Few Obligations of the Union

- No coercion of non-union employees
- No opposition to introduction of wage incentives
- No strikes, no slow-downs, no stoppages
- No union business handled during working hours
- No opposition to efficiency programs
- No fomenting of disputes arising from union matters
- No foremen or supervisors in bargaining unit
- No coercion of employees into continuing their union membership
- No objections to new equipment or improved methods
- No assumption of management authority except through modifications spelled out in contract
- No publication of statements deprecating, vilifying or slandering the company or its executives
- Quick efforts to settle disputes arising out of union matters
- Financial liability for each employee participating in an illegal stoppage
- Relinquishment of check-off and maintenance of membership when employees take part in slow-downs or unauthorized strike



the Unions

By JAMES O. RICE



COLLECTIVE bargaining has a better chance, management is finding, when organized labor is willing to give as well as to receive

FOR TOO LONG, collective bargaining has been regarded by too many union leaders—and accepted by too many employers—as a one-way process.

Union leaders have been inclined to operate on the basis that: "The legislators intended collective bargaining as something for labor, not for the employer. Besides, what concessions does labor have to offer?"

Employers too often in the past have approached collective bargaining with the feeling: "Well, here goes my shirt!"

In increasing numbers, however, employers are beginning to discover that collective bargaining can be, and should be, a two-way proposition. The unions, instead of being entirely on the receiving end, do have something to offer—*responsibility* in all dealings with the company.

Today, employers more and more are signing contracts in which the union agrees to keep its hands off the management part of the business and specifically recognizes those who have the right to manage.

Where formerly the contract read merely "the company will give," "the

company consents," "the company will permit," clauses are now beginning to appear which say "the union agrees," "the union recognizes," "the union will be restricted."

Limitations on the union

SUCH clauses forbid the union to interfere with management's right to manage; permit management to penalize the union and individual employees for wildcat strikes and slowdowns; pledge the union not to issue scurrilous statements about the company and its executives; forbid the union to coerce non-union employees into union membership or to discriminate against such workers; limit arbitration to interpretation of the terms of the contract; forbid the union to interfere when management wants to install improved production methods.

Moreover, in cases where the union abuses the privileges it has been granted, the company takes back the concessions it has granted to the union.

Still under no illusions that the legislators voted collective bargain-

ing for any other reason except to advance the interests of labor, employers are finding that collective bargaining does not necessarily have to be a dreary, dismal business of giving labor more and more. Bargaining can get things for the employer, too. Employers are not demanding these concessions with the idea of "breaking" the unions. They merely want something that will specify the "ground rules" when a dispute arises. They want grievances—and how they shall be settled—defined. Most of all, they want the unions to be responsible for part of the burden of making the agreement work.

For example, a union at a Pennsylvania plant disputed the authority of a foreman to change the method of work. The company was able to point to a clause in the union agreement declaring (a) that foremen were a part of management and (b) that management had the undisputed right to determine by what method all work was to be done. The foreman had his way.

In another case, an employer under the authority of a maintenance of membership agreement deducted union dues from a certain employee's pay check. The employee declared that he was not a union member and had not authorized the employer to make a dues deduction. The employer referred him to the union because the union had presented a notarized list of employees who had consented to the check-off. In this case the employee decided it was his mistake and permitted the deduction. If the clause placing the responsibility on the union had not been in the contract, the employer would have been left holding the bag.

Under a closed shop agreement the union was obliged to refer only capable and qualified workers to the company for employment. A worker was hired who clearly was incompetent. He had practically no training for a highly skilled and well paid job. The company demanded his discharge. Under the agreement, the union could give no argument.

Some weeks ago a midwestern company was forced to lay off some of its workers because of cut-backs in war production. The union wanted management to follow straight

seniority in determining the order of layoffs. This meant that the company would lose some of its most valuable workers—men it needed to help on reconversion. Fortunately, the employer had a clause in his contract to the effect that ten per cent of the employees of his choosing were exempt from seniority regulations. He was able to keep his most efficient workers in all departments on the job.

In another case, a group of union men issued a statement falsely criticizing one of the company's executives. The union agreement, however, included a clause forbidding the union from issuing derogatory statements about the company and its executives. The statement was quickly withdrawn and the union apologized to the executive involved.

Vacation time regulated

THESE are little things. Some of them may seem not worth mentioning in a contract. For example, one company reserved the right to determine when an employee should be permitted to have his vacation. That sounds picayune, but it can prevent disputes. If the clause were not in the contract, a key employee might decide to take his vacation just when the company was trying to complete an important order or was trying to make an extra fast delivery to a new customer.

Limiting the number of union representatives who can approach a foreman in presenting a grievance does not sound important either. But it is from the foreman's and company's viewpoint. If you were the foreman, how would you like to have a delegation of 15 workers descend on you on a busy morning to tender a grievance? And what happens to a company's production record when all these workers leave their jobs for half an hour?

Officials of the country's major unions are not exactly pleased about this recent tendency of employers to get protection for themselves in their union agreements, but they do not consider it dangerous, either. It creates a healthier atmosphere for collective bargaining. An employer, they believe, who makes such counter proposals is a better man to deal with than one who simply says "no" all through the negotiations. The former will want to see the agreement work once it is signed; the man who says "no" all the time won't.

Although every labor contract must be tailor-made for the needs of a particular company and union,

there are certain union concessions that fit almost any situation.

The clause clearly stipulating which employees are excluded from the bargaining unit is one.

The clause limiting an arbitrator to interpreting the terms of the agreement has saved headaches in many cases because it prevents new issues from upsetting the current agreement. The arbitration clause is one of the most vital in the contract. If it is loosely written and permits wide-open arbitration, the arbitrator can introduce entirely new elements into the agreement and become a sort of demigod who decides what the employers should or should not give.

The heart of any labor agreement is the grievance procedure. The various steps through which a grievance is handled are extremely important. A Wisconsin firm found that the union

believe that such clauses are dangerous because they may be interpreted as limiting the employer to the prerogatives mentioned. Therefore, when such a clause is used, it cannot be relied upon entirely as a total safeguard of management's prerogatives. It is only as good as the clauses that follow in which management's functions are stated with respect to the details of plant operation. If subsequent clauses, for example, require "mutual consent" between the employer and the union, then the management clause is nullified. It can be further nullified by provisions for joint committees of employer and union representatives to decide questions that should be answered by management alone.

So-called "harmony" clauses calling for the union to cooperate with the employer in making the company successful are only window dressing. No labor agreements guarantee cooperation between labor and management, much less create it. Cooperation depends on the character of the fundamental relationship and on the good faith that exists between the parties. Such clauses, by setting the "tone" of the agreement, are considered to serve a useful function.

Both sides responsible

THE responsibility for making labor agreements operate successfully should be borne equally by both the employer and the union. This responsibility should be fixed in the light of conditions peculiar to the company and the agreement. The employer should ask for concessions only under circumstances where a definite need for them is apparent or can be reasonably anticipated.

If the union is to be given responsibility in obtaining prompt attendance, increased productivity, good deportment, reducing costs, it will need some authority in these matters. But how much authority does management want to give?

The great majority of the companies consider it unwise to incorporate such considerations in the labor agreement. Rather, these are problems whose solution should interest the union. But the extent of that interest will depend on the fundamental relationship between the company and the union, not on a legal instrument which is incapable of creating such a relationship.

It is recognized that mere contract wording does not in itself guarantee that the agreement will operate harmoniously—that depends on

(Continued on page 50)



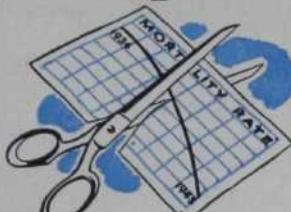
had a habit of reviving grievances two or three years old. It stopped this by insisting on a clause under which the complaint was considered settled if not appealed within five days at each of the various steps of the procedure.

It is well to reflect carefully on the "management" clause: First, it should be remembered that the labor agreement is not a *statement of the employer's rights*; it is essentially only a modification of them. No management clause can possibly list every conceivable employer function. In fact, some labor relations executives

Pneumonia fights a losing battle!



Since 1934, prompt medical care and new drugs

have halved  deaths among pneumonia

patients! But pneumonia is still dangerous,

because some kinds defy penicillin and sulfa.



Although pneumonia usually attacks

those weakened by fatigue,  unusual

exposure, or grippe, it can also strike healthy

people!



Don't Give Pneumonia a Chance!

If you start to sniffle and sneeze, take care of yourself—for a severe or protracted cold is often the forerunner of pneumonia.

Drink plenty of fruit juices, milk, and water. Go to bed if possible. If the cold is a bad one, or hangs on more than a few days, consult your doctor.

Pneumonia's first warning is often a severe chill, followed by a fever. It may already have attacked if you have coughing accompanied by pain in the side or chest, rapid, labored breathing, or thick rust-colored sputum.

If any of these symptoms appear, call

a doctor at once! Go to bed and remain absolutely quiet!

Only your own physician can determine whether it is advisable to use serum, sulfa drugs, or penicillin in your case. Even then they should be used only under his direct supervision.

Unfortunately, certain infections such as virus pneumonia do not respond to such aids. In cases like these, *prompt diagnosis and medical and nursing care* are even more essential, and will increase tremendously the probability of recovery without serious complications.

While medical science is helping to bring pneumonia down in the "cause-of-death" list, its *prevention* is still up to you! For further information about pneumonia, send for Metropolitan's free booklet, 16-P, "Respiratory Diseases."

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TO EMPLOYERS: Your employees will benefit from understanding these important facts about pneumonia. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.

Drum and Mask Diplomacy

By JUNIUS B. WOOD

"ADVERTISE yourself and trust no man" would seem to be one rule in today's game of international relations. How far we go along that line depends on Congress



FLETCHER

OUR venerable State Department has become world conscious in a big way.

It plans to present the real United States to all people and, at the same time, to uncover the secrets and hidden plots of every other nation.

The plans, still vague and mysterious, will involve several thousand jobs and millions of added taxes. What possible effect these plans may have on the Department's cherished reputation for dignity, at home and in foreign capitals, and on the standing of the United States among nations is not yet clear.

Congress must appropriate money to grease the wheels—and this is a preview of what promises to be one of the liveliest issues of the session.

The State Department, by orders of President Truman, inherits the *corpus delicti* of:

The Office of War Information (OWI)

Discarded parts of the Office of Inter-American Affairs (OIAA)

Part of the Office of Strategic Services (OSS) and

Part of the Federal Communications Commission (FCC).

While singing the praises of the United States around the world, the Department now has another agency to find out what other countries are up to behind their propaganda fronts. It is a wise precaution, even among "friends."

So much fanfare has accompanied the launching of this new investigating service that every foreign government is awake to what is happening. The service, designated as the Interim Research and Intelligence Service (IRIS), has taken over the Foreign Broadcast Intelligence Service (FBIS) from FCC and a portion of OSS which the War Department could not use. The Navy wanted none of it.

According to the State Department, the President authorized it to

"plan a coordinated foreign intelligence program."

That suggests eventual absorption of the Army's Military Intelligence Service (MIS), the Navy's Office of Naval Intelligence (ONI) and similar activities of other departments.

The Pearl Harbor investigation disclosed that FCC's Foreign Broadcasting Intelligence Service was monitoring and decoding Japanese secret diplomatic communications a year before war became an actuality. That such monitoring is considered necessary in a supposedly peaceful world indicates how little confidence governments have in pledges of friends and in world organizations which are offered to the public.

"If we are going to live in comity with all the world, live decently and kindly with other people, I have great doubts about establishing a service in peacetime to eavesdrop on our



The Story of STEWEY and the COLT

Reading time: 1 minute, 48 seconds

"We lived on a back road in the Blue Grass country of Kentucky. Like everybody down there I was crazy about horses, and finally bought a colt with money I saved hoeing my own patch of tobacco.

"I took care of that colt like a baby and he took mighty good care of me. He got me my early education, taking me daily to the mailbox four miles away for newspapers and magazines and now and then into town where I saw city life.

"I used to read my newspapers and magazines in bed late at night, 'til the doctor made me quit to save my eyes. But just about then Dad bought a second-hand car and that opened up another world for me.

"When I grew too big for the colt I did most of my running around in the old car. That's how I got the urge to really quit the farm for the big city. It was an awful tug when I sold my beloved colt to buy the railroad ticket.



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PLYMOUTH * DODGE * DE SOTO
CHRYSLER * DODGE Job-Rated TRUCKS

REMEMBER THURSDAY NIGHT! The Music of Andre Kostelanetz and the musical world's most popular stars—Thursday, CBS, 9 P.M., E.S.T.

KEEP ON BUYING VICTORY BONDS

"I didn't know a soul in the city. The landlady warned me about playing poker and such things with her boarders. In a week or so I had two jobs, one working days in a machine shop and the other working nights in a tire factory. I couldn't stand the hours, so got one job taking care of a truck fleet for a dairy.

"I still felt pretty lonesome, so when I met a girl from out of town who was lonesome too, we got married. We talked things over and decided we'd skimp and save and that I'd start going to night school. For years I kept at the books. It was a great day

when I got admitted to the bar, and

a still greater one when I hung out my own shingle in the real estate business.



"Ever since I drove Dad's old car I loved automobiles. My silent partner in the real estate business was a successful dealer handling De Soto and Plymouth cars. When he died suddenly I knew that big responsibilities had come to me. I mortgaged everything to hold the automobile business, made real partners out of the bookkeeper, the sales manager and the service manager.

"By 1939 we had our debt under control and our gross sales had reached a million dollars. We had more than twenty salesmen and almost as many mechanics in the service department. As soon as we could we made every faithful employee a partner in the business. We went through the war years without a hitch, doing a big parts and service business and paying off the balance of our debt.

"We're all set now for an exciting future. We've made thousands of new friends during the war years. Our main building is a handsome one, 32,000 square feet; our parts wholesaling place is 10,000 more. Now we're getting ready to add another 20,000 feet to our main building. The other day I stood out in the street and looked at our wonderful set-up and it seemed only yesterday that I sold that colt of mine for the railroad ticket that brought me here."

NOTE: This is another true story of individual effort and enterprise, from the records of the Chrysler Corporation.



friends to see whether they are doublecrossing us," said Senator Kenneth McKellar.

However, more than one country has elaborate monitoring stations—the British Broadcasting Company employs 1,000 monitors, compared to FCC's 300—and, if friendly allies have "black chambers" to decode messages, the State Department must keep pace. The Senator's committee upped IRIS's appropriation by \$2,000,000.

Biographies of everyone

COLLECTING biographic data is another expanding function of State Department intelligence. The Department has almost reached its introductory goal of 25,000 names. More celebrities are born every day and the race is eternal.

When an individual's name appears in a newspaper or magazine, official document or secret agent's report, it is entered on a card or envelope with the data. If the name appears again later, more entries are added. Chief subjects are prominent members of other governments, heads of departments, participants in international conferences, underground workers and leaders of movements and parties. Even a love nest may be there.

"It's an elaborate program to get biographical data on every prominent man in the world," says Congressman Karl Stefan. "All the information wanted on anyone can be obtained at any time by phoning or cabling our foreign service abroad. More than that, there are standard books of reference and, if an individual ever did anything worth printing, it will be in a *New York Times* index under his name."

Agents instead of tourists

IN addition to these fields of assorted information, IRIS has its own agents in foreign lands, more than 500 at present. It protests that it is not an espionage organization. Other governments will disagree.

Americans who have been abroad—tourists, business men, correspondents—travelled freely almost everywhere. From my observation as an American newspaper correspondent in almost every country on the globe, this was not so much because the American was a free-spender as because he was not suspected of working against the interests of the country.

When foreigners suspect the State Department of planting spies, diplo-

matic teas will be chilly and every carefree tourist will be suspected and watched.

However, getting information is only the spade work before IRIS swings its weight. As explained by one who should know, IRIS will guide the State Department. That should go far toward fixing the international policies of the President and nation. This may surprise James F. Byrnes, Secretary of State, and old-timers who imagine they do the heavy thinking for the Department, but how it will be done is simplicity itself when explained.

All information coming into the Department—from foreign service officers abroad, undercover agents, newspapers, FBIS, or other sources—will be filtered by the Research and Analysis branch of IRIS. That group will decide what to accept and what to ignore. Such information as suits its tastes will be passed on to the Secretary of State for his guidance. The political and social creeds of the "researchers"—the bottleneck of information—can thus steer our foreign policy.

"I want to know whether their first loyalty is to the United States," says Congressman John Taber who has asked for the record and affiliations of each one.

Moved from OSS

THE Research and Analysis branch was moved intact from OSS. It is a staff of 1,234—434 of whom are abroad—under Prof. William L. Langer. As a Harvard graduate, Professor Langer has the State Department atmosphere. He also was a professor of history in that university from 1927 until he joined Maj. Gen. William J. Donovan's organization in 1941.

"The State Department, whose responsibilities require the highest talent, had nothing comparable to this group," is the rhapsody of Brig. Gen. John Magruder who succeeded General Donovan. "Nothing like such great talent has ever been assembled in one research group in our Government."

The chief of IRIS and potential director of all government intelligence is Alfred McCormack. A former colonel with Army Military Intelligence Service, he is a brother-in-law of former Assistant Secretary of War John J. McCloy. Both were members of the New York law firm which still carries the name of the late Paul D. Cravath. He entered the Army as a colonel with other members of the firm, who also received commissions, and served in

the Pentagon Building in Washington.

Mr. Cravath, until his death, was a staunch partisan of the Soviet Union. After Colonel McCormack became chief of the Intelligence branch in one of the many shuffles of MIS, half a dozen officers whose reports lacked enthusiasm for the policies of our Red ally were transferred to other branches of the service.

"IRIS receives the daily flow of information from all of many sources that come into Washington," says Mr. McCormack, indicating its controlling position. "It is engaged in serving information to those people who need to make decisions."

Propaganda abroad

WHILE getting the truth about other countries, the Department will offer its version of the United States to their people. For that activity, it has the Office of International Information and Cultural Affairs (OIICA, pronounced "Oyka"). Its director is Ferdinand Kuhn, Jr., an experienced newspaperman, with Francis A. Jamieson and Charles M. Hulten as deputies. OIICA absorbed OWI and part of OIAA.

William C. Benton, an Assistant Secretary of State, is the guiding genius. Mr. Benton is board chairman of the Encyclopaedia Britannica, a director of Associated Music Publishers and of Muzak, which supplies city cafes with music by wire from a central studio; and since 1937, vice president of the University of Chicago. With Chester Bowles, now Director of OPA, he founded Benton & Bowles, an advertising agency.

"Our processes in foreign relations must be exposed to the insight of the common man, his conscience and intelligence must be drawn into the State Department," says Mr. Benton, cutting across caste distinctions.

Appropriations will be asked

THE extent to which OIICA will continue the farflung publicity activities of OWI and OIAA after July 1, 1946, will depend on the appropriation bill now before Congress. When the axe fell on the four agencies, 8,491 employees, of whom 4,642 were abroad, were transferred to the State Department. In 1939, the entire Department had only 4,704 employees, 3,730 of whom, ranging from a few ambassadors to many messengers, were in foreign countries. The Department has reduced former OWI and OIAA publicity activities and the army of new arrivals to 4,015, at a cost of \$4,971,504 for each of the

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FREE

8 TIMELY BOOKLETS
telling what to do . . . Special
booklet for veterans themselves

Every American faces this challenge: To help returning veterans fit themselves back into community life. Let them feel they are being ignored . . . and the seeds are sown for future discord. Give them a helping hand today . . . and they will become the solid citizens of tomorrow.

As a contribution to making America as strong in peace as in war—and in continuance of its 126-year policy of advancing the public welfare—the Aetna Insurance Group is offering—free—the 8 booklets listed below. These booklets indulge in no fancy theories. Instead, they tell the simple story of the nationally famous "Connecticut Plan" . . . how other communities and business men have tackled and solved the problem of making their returning veterans feel at home.



*To obtain one or more booklets,
simply check titles desired and sign
and mail coupon.*

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Please send—without charge or obligation—the booklets checked.

- Veteran . . . This is for you
Every veteran and his family needs a copy.
- Is everyone in your community ready for
the returning veteran?
*How an industrial city of 40,000 has pre-
pared.*
- A big city has a working plan for its
veterans.
- This small industrial town will see that
no veteran is overlooked.
- This rural community is not worried
about its 170 veterans.
- How industry has prepared for its return-
ing servicemen.
- This business is ready for its veterans.
- The Connecticut Plan—Community Aid
to Veterans.

Name . . .
Street . . .
City . . . State . . .

Aetna Insurance Group

HARTFORD, CONNECTICUT

two remaining quarters of this fiscal year.

The lush publicity of OWI and OIAA has been curtailed but not abandoned. The magazines: *Victory, USA, Photo Review* and *En Guardia*, the latter costing \$1,000,000 a year, and translations of American books into foreign languages have been discontinued. Publication survivors are two weeklies in Germany and a quarterly, named *America*, in Moscow with 20,000 circulation at an annual cost of \$100,000.

"Shortwave radio programs, local radio shows, press matter, motion pictures, news reels, libraries and reading rooms are our present means for disseminating comprehensive and accurate information about the people of the United States to the people of the world," Mr. Benton explains.

Offices spread information

FOR these activities, the Department designates "outposts" in 38 countries. A country has from one to many outposts, each with from three to 20 American employees and a larger number of foreigners.

American libraries, each with 200 to 750 books, two to a dozen employees, and costing \$18,000 to \$46,000 a year, are open in 36 foreign capitals.

Though they have an appropriation, the law requires an enabling act for the enterprise. That neglect must be remedied if the libraries are to continue after July 1.

"Why don't you study our Constitution a bit, just a trifle?" Senator McKellar once asked Mr. Benton.

The educator admitted that, in his zeal to teach Americana to other people, he had neglected that fundamental.

From broadcasting to the world in 40 different languages, the State Department has come down to 18. Of its 50 broadcasting stations, 14 are abroad, two in Algiers.

"We have no other way to get American news into the countries around Russia, such as the Balkans and the Near East," Mr. Benton says for the Algiers station. Actually its broadcasters are their own best audience as a survey would show only a few hundred shortwave receiving sets in that vast area and few hardy souls who risk their necks tuning in on a foreign station.

Distributing American news to foreign newspapers and friends is another outpost activity. The Department's version of each day's news is radioed from the United States. In Moscow, the publication is *The Em-*

bassy Bulletin, 200 copies daily. Motion pictures also are shown to "certain" Russians, Mr. Benton says.

As few Russians dare displease a government which has definite ideas on what they should read, bulletin circulation is largely among officials and other embassy staffs while the political police check on attendance at the movies.

Spreading more news abroad

"THE world has blank spots which are not reached by any American news agency, countries which get no news from American private sources," says Ferdinand Kuhn, director of OIICA. "We're trying to do a job which private news agencies and private motion picture companies won't do."

However, in practically all of the 38 countries where OIICA has outposts, its free handouts of slanted news do compete with the services of legitimate and impartial news agencies.

If all goes well, OIICA will radio or cable complete texts of speeches and other documents to all parts of the world. Like radio broadcasts into empty air, that will gratify statesmen though no newspaper has space to print them.

Men who have made a success in distributing news around the world—by observing the reactions of people and nations and by learning what they will accept and remember as interesting or instructive—also have opinions on the State Department's newborn twins—IRIS and OIICA.

"By 25 years of conscientious effort, American press associations established a world reputation for



"Sorry, gentlemen, Mr. Wade
has just left for the day"

authentic, objective, non-propagandized news," says one of the men who was a pioneer in the exporting of American news. "OWI made its full contribution to beclouding this valuable and hard-earned reputation. It so thoroughly bitched-up the show around the world that no foreigner could be expected to tell what was news and what was propaganda in the mass of information appearing in the press and on the air under American date lines. OWI performance wrecked a property of the American people—foreign acceptance of the legitimacy and integrity of American news—that was a greater national asset than any reputation enjoyed by our State Department at home or by our foreign service abroad.

Press associations hard hit

"COMPLETE as this debacle was, it is possible that American press associations, whose roots once were down deeply, might in time, say ten or 15 years, if freed from state subsidized competition, retrieve and rehabilitate their damaged reputations for objectivity and integrity. If, however, this State Department handout project, an ill-conceived patronage provider, is permitted to flower, it will certainly wreck any chances still open for a recovery by the legitimate American press associations of the enviable reputations and positions they once enjoyed."

"Our Government never has cooperated properly with American press associations and newspapers in the foreign field," another says. "In the collection of news abroad for publication in the United States, newspaper men invariably have been informing the people here before the slow acting diplomatic staffs abroad could notify the Government. As one who has had experience abroad yourself, you know that most ambassadors abroad get their information about what is going on from American correspondents. It used to be that correspondents would give it to the ambassadors first or at least simultaneously with their transmission of it to America."

"The increasing jealousies by the diplomatic corps because of the adequate, prompt nature of news reports of correspondents and a general aloofness on the part of much of the diplomatic corps toward newspaper men is akin to a general policy of the Government the past several years. The result is that American news agencies abroad receive little or no

(Continued on page 108)

TO MAKE THE GRADE...THEY "PASS the SALT"



THERE'S WHITE MAGIC—and *black*—in winter's snowstorms. For their clean-spangled beauty can mean danger...even *death*.

Blizzards can—and *do*—slow vital highway traffic...bringing it to a full stop. They can—and *do*—glaze roads with treacherous ice.

But today progressive highway engineers have a stalwart ally...in their relentless war to keep pavements *bare* of snow and ice. Even as a storm strikes, alert maintenance squads are busy...spreading road networks with Sterling "Auger-Action" Rock Salt!

Applied when snow is falling, Sterling Rock Salt prevents it from bonding...keeps it loose and easily churned into melting slush that "sluices" off to the side. Yet even when storms get their licks in first, Sterling's powerful "Auger-Action" bores through...crumbling the mass for quick and efficient *removal*.

This is just one more of Sterling Salt's many important functions...services that have helped to make *International* known as "Salt Headquarters" to America's industry at large. Industry knows *International*, too, for the caliber of its engineering counsel...and for its unique salt processes. Processes which consistently better industrial production...and save industry man-hours and money.

International Salt Company, Inc.

"SALT HEADQUARTERS"
Scranton, Pa. and New York, N.Y.

*Sterling Salt for Industry,
Agriculture, the Home*



How to Be Happy with Foremen

By G. B. ARTHUR



MANAGEMENT itself created the foreman problem—and management holds the key to its solution

UPRIVER BAKING COMPANY, Upriver, Mont., has no foreman trouble. Its foreman has not organized a union, nor joined one. For many years he has been "the foreman." He "belongs" in the company. Anything he wants to know about the business he asks Dave Riddle, the proprietor. If Dave hears that square paddles are better than round ones for slipping pans of bread out of the oven, he asks his foreman about it—and accepts his judgment.

That foreman has the most precious things a job can bring—prestige and self respect. He is important and knows it. He will leave his wife sick at home or miss his lodge meeting to run his job.

Dave Riddle realizes this, considers his foreman indispensable, and treats him so.

About 169,000 concerns, out of a total of 184,230 producing companies in this country, are like Upriver Bak-

ing Company. It is unlikely that any of them will have foreman trouble, because each one employs not more than 100 persons. Many have fewer than ten. Taking an average of 25 workers to one supervisor, the largest of these companies has only four foremen.

No management can live far apart from only four foremen.

Why is the unionization of foremen concentrated in the remaining 15,230 companies that produce 70 per cent of our total output of goods? Is it because these companies have become too big? No, it is not.

Some of the 15,230 large companies—including some of the largest—have no more foreman trouble than the small companies. These big concerns have done a good job with their foremen, not only through the war, but for many years.

The good foreman must have his own area in which to display his initiative and ability—and his own duties and responsibilities

So bigness is not what drives foremen into unions. It must be something else.

What is it?

This article started out with three questions:

1. "Do you think foremen are really part of management?"

The answer is unanimously "Yes," even from the Foreman's Association of America.

2. "Do your foremen get away from you?"

Some employers admit grudgingly that they do. The unions say, "You bet they do! They have to."

3. "What are you doing to get them back?"

Some concerns that are having trouble are doing nothing. Others are

• This installation of Burroughs Typewriter Accounting Machines at Purdue University, Lafayette, Indiana, is typical of thousands of offices throughout the nation that depend on Burroughs machines for fast, accurate handling of all types of accounting work.



WHEREVER YOU GO—
YOU SEE BURROUGHS MACHINES

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IN MACHINES
IN COUNSEL
IN SERVICE

In schools, banks, business organizations . . . wherever you go . . . you see Burroughs machines. These users give many reasons why they like to do business with Burroughs. One reason frequently mentioned is the efficient maintenance service rendered through hundreds of local service centers by Burroughs' own factory-trained service men—a service that has won the highest respect of business machine users everywhere as the finest safeguard that the maker of a high-quality product can provide to insure the uninterrupted performance and long life of its products.

BURROUGHS ADDING MACHINE COMPANY, DETROIT 32, MICHIGAN

doing a good deal—although part of it is apparently wrong.

Because of the general agreement on question No. 1 there seems little point in discussing it here. However, the affirmative answer for that one makes the affirmative answer to No. 2 rather surprising. It is logical to ask: Why, if everyone is agreed that foremen are part of management, do foremen tend to behave like *workmen*?

A survey made by Opinion Research Corporation reveals at least part of the answer. Fully 80 per cent of the foremen interviewed were satisfied with their chances of advancement; only four per cent thought they could not advance because management was unfair. But:

Twenty-six per cent felt that at present they "were more like workers than like management;" and another nine per cent thought they were "in between," which is not much better.

Obviously foremen who consider themselves "more like workers than like management" have been estranged from management whether management regards them as part of itself or not.

New style of management

WHAT the foreman wants is room to work in. Every man has a boss but, if he is to do a good job for the boss, he must have his own area in which to display his ability and initiative. He must feel that this area of his is important. He must have his own duties, with responsibility for them. Too often, the foreman has been deprived of these bolsterers to his self-respect. A change of style in management has been partly responsible.

In his recent book, *Human Leadership in Industry*, Sam A. Lewisohn explains why. A large university estimates that 75 per cent of its engineer graduates come to occupy managerial positions in industry. This technical type of mind has not grown up with employee problems. It has had little time for dealing with people as compared with deep technical matters.

Industrialists have found that the men who come from such schools, though excellently prepared in technical subjects—having to do with inanimate things—are woefully unprepared in the art of developing the human beings under them."

Business has grown so fast, expanded its physical plant so rapidly, and built its top management so completely with specialists in materials, chemistry, metallurgy and other lines, that too often it has become an aloof, impersonal, self-centered ad-

ministrative machine. This has helped promote the growth of industry. But, in growing, industry has lost "something" that gave it its start—good human relations with supervisors and employees.

Too many bosses for foremen

THE industrial relations representative of one of the largest companies has another explanation of why so many foremen today consider themselves more like workers than like management. When the pressure of dissension—not only in the war but before—compelled management to look for an answer, it did what it had previously done. Instead of seeking for the cause and cure within its own organization, it went outside to men who were talking about industrial relations—a new subject. It hired them to correct the growing trouble from the top. With many a chart and a wise-sounding theory, the outside industrial relations men gained for themselves an inside position in administration.

This industrial relations representative says this way of introducing the new idea into industry was wrong. He holds that, if the industrial relations men had been content to remain in the background as a service department, performing a staff function, they would have succeeded. If straight line organization from top to bottom had been retained, there would have been no dissatisfaction on the part of the foremen. In this relationship the industrial relations men would have advised the line organization, kept it abreast of new methods, and trained its personnel in new procedures as they proved more efficient than older ones. He is sure that this relationship must now be established before any progress can be made.

Specialists handicap foremen

"INDUSTRY," as the *Labor Trend*, published by the National Foreman's Institute, puts it, "faces the twin reconversion job of simultaneously putting the industrial relations department back on its own side of the fence, and of turning supervisors into human relations experts."

Adding to the damage already done, many companies opened the foreman's office to all kinds of specialists and so-called experts—accountants, production men, personnel experts, checkers and others—tearing away from the foreman his responsibilities and severing his ties with the top staff.

No wonder the answer to Question No. 2 was affirmative. No wonder foremen have gotten away from management.

As for Question No. 3—"What are you doing to get your foremen back on the side of management?"—replies show that executives are searching for a program that will recapture the "something" that was lost along the way as industry grew.

Some large companies are doing a remarkably efficient job along this line. Their management is sure of itself. It speaks and acts firmly. And in most of these companies the programs and policies are not mere expedients to tide them over the present situation. They express views milled out of keen discernment of human values over many years back.

Foremen's unions no solution

ONE company official said frankly that foremen's unions will not solve the foreman's problem, and that his industry will not recognize them as legitimate agencies for that purpose.

He said that his management will not tolerate unions on both sides of the bargaining table. Even in daily operations no foreman can act both for management and for his union. If foremen unionize, this official will set up a new level of supervisors above the foremen, and give all company policies into their hands. He knows how much this will increase costs of manufacture, to be passed along to the consumer.

Another representative said that his management will fight with all its might to hold foremen in management, in line with the fact that the National Labor Relations Act includes as an employer: "... any person acting in the interests of an employer directly or indirectly."

He will do everything possible to make his foremen "belong" in his corporation the same as superintendents and managers. To that end he is training his foremen in company plans and policies, not only on the level of foremen, but also on the level above it.

In several companies management has laid the issue on the line and told foremen that they cannot live on both sides. In most cases the foremen have stayed with the company.

As a specific example, the General Shoe Corporation says frankly that its employees are its greatest business asset. Good employee relations are as important to this concern as good stockholder relations.

This company's first group under office management is an informed

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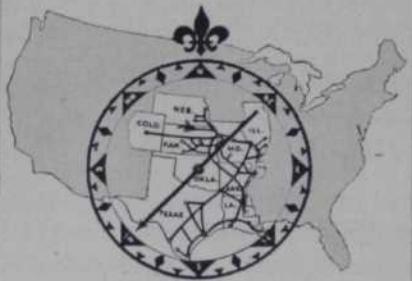
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So if you're planning a new factory or branch, or looking for new warehouse facilities or distribution centers, make this your first move: Write or wire Industrial Development Department, 1706 Missouri Pacific Building, St. Louis 3, Missouri; or Industrial Development Department, Missouri Pacific Lines, Union Station, Houston, Texas. Your inquiry you may be sure, will of course be treated in the strictest confidence.



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"A SERVICE INSTITUTION"

supervisory group. The foreman is a leader, and a liaison representative of management.

To the workers he is the management.

He has a written personnel policy to follow.

His initiative is not bound by procedure.

He is not overrun by specialists.

He has regular meetings with management, where he takes part in discussions of all the possible moves of the corporation.

Foremen help on policies

FOREMEN from outlying plants are brought to the main plant at Nashville at intervals to have personal contact with management, for courses in human relations, special training, technical information, and to discuss the philosophy of management.

General Motors is another example of good foremen relations. G-M points out that its foremen "are, in fact, a part of management, and have been for 25 years." The foremen participate in establishing policies in both production and personnel matters. The company has a rule that every foreman's salary shall be at minimum at least 25 per cent higher than the average of the five highest paid men under him. That is his starting point. He can go up from there, according to developing ability.

General Motors says: "We have always guarded the status of our foremen, and have provided special training to improve their abilities, increase their efficiency and enhance their opportunities for promotion to even more important positions. The great majority of G-M principal executives at one time were foremen."

Standard Oil of California is still another example of alertness and sound understanding of industrial relations dating back to the years when that profession was still in diapers. Its policies and activities, and awareness of the deep significance of real human relations parallel those of General Shoe and General Motors.

Forstmann Woolen Mills, with its two-way communication system, never making a change in policy without consulting its supervisors, is another concern which is making human relations work to the satisfaction of its foremen.

American Viscose Corporation is doing a good job, with executive and supervisor interviews on all top subjects. Caterpillar Tractor can well be rated among progressive administrations. Sperry Gyroscope has developed a fine, informal method of

working things out with its foremen. And Consolidated Edison has a "merry-go-round" system of transferring executives from one major department to another to build up an understanding of the whole operation.

These are practical solutions.

Unionization of foremen, on the other hand, offers mostly false solutions. A union membership will never satisfy a really good foreman because it sets up a road block in his line of advancement. He knows that. It will not satisfy his deepest yearning, which is common to all of us—the yearning for self-respect, recognition of his contribution to the plant's success, fullest justification for hurrying down to the job in the morning—and high hopes for a big day and commendation for a job well done.

Social affairs and fraternization, such as are promoted by the Foreman's Association of America, will never substitute for individual sovereignty and professional independence. The idea of joining up to stabilize salaries is too much like pressure to get a uniform wage to fool smart foremen. A good foreman's inclination is upward, not continuing on some common level, and that means working deeper into management. The foreman will try to regain a position of self-respect, with satisfying recognition of his contribution to the success of his plant. It is his most priceless possession and he will sacrifice everything for it.

He will try to get the signs of office, the trimmings of authority, the recognition of ability, the respect of his associates—the things which management accords to management.

Whether he gets them through a foremen's union, or through the intelligent good will of management manifested in its own best interest—as the foreman prefers it—depends on management.

Copper Plated Aluminum

IT is possible to get an adherent, uniform copper plating on aluminum and its alloys by a process of first cleaning and then dipping in a special solution before plating. The process opens greater uses for aluminum, makes soldering easier, provides good electrical contact and makes a good base for further plating. Technical Processes Division of Colonial Alloys Co., Philadelphia, Pa., announced the process.

—J. J. BERLINER

So Stockholders Say

TO DETERMINE what its stockholders thought of its annual report and of the company's policies, Allegheny Ludlum Steel Corp., Pittsburgh, recently asked its stockholders for their views.

Executives long have wondered just what the average stockholder in their company thinks when he reads over the firm's annual report.

The Allegheny Ludlum Steel Corp., of Pittsburgh, Pa., recently nerved itself to invite its stockholders to comment on the firm's annual report and company policies.

Criticism is free

AMONG the adverse comments were:

"The United States Government, as big as it is, needs only one vice president—how come you have so many?"

"Be brief and to the point."

"Tell the amount earned per common share. Is it better than the previous year? If not, why? And what can be or is being done about it?"

One stockholder favored a "homey" touch. "Just include a little letter or a note, as a father would to a son or daughter. Then we would feel that we really belonged."

Another wrote: "This survey, to me, seems stupid. The management should know what its stockholders should know."

"I am not a scoffer," said another, "but I think 75 per cent of the subject matter in the average annual report is a waste of time and energy."

Several were a little sour on the subject of officers' salaries. "It's easy in bad times to omit the stock dividends for the year, but there is never anything said about a cut in the president's salary if he doesn't operate the company at a profit," one said.

These were some of the more "barbed" comments. Favorable comments outweighed them, however. Nevertheless, the company is paying close attention to the criticisms.

The comment on "too many vice presidents" reflects a type of distrust that is a result of misunderstanding.

"Actually," an official said, "Allegheny Ludlum has but one executive vice president and only four other vice presidents. The vice presidents compare with the Secretaries of the President's cabinet. Each vice president is charged with leading a specific set of activities."

Almost 3,300 stockholders responded to the questionnaire.

All but two per cent said they read

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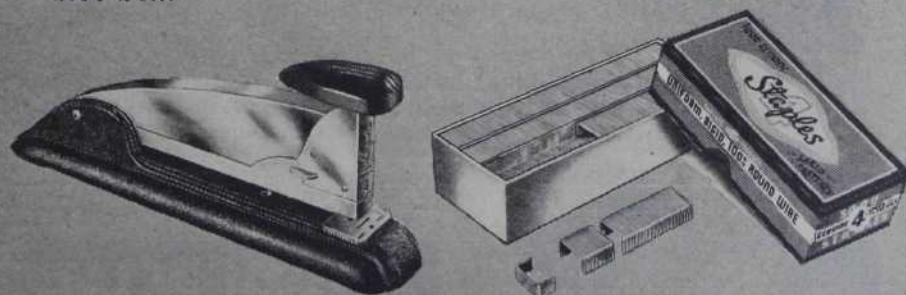
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For your SWINGLINE or for any other standard size stapler — use SWINGLINE SPEED STAPLES — in the red-white-and-blue box.



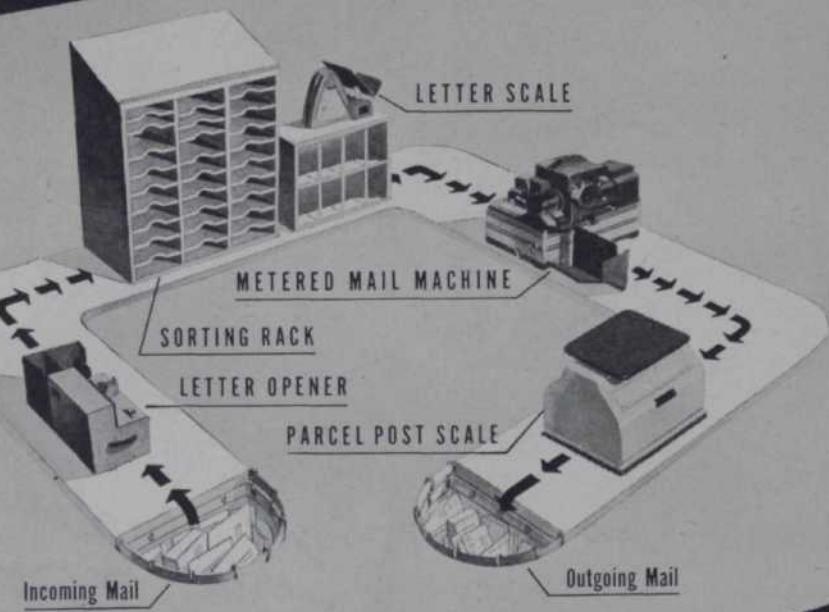
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the annual reports, with 47 per cent retaining them for future reference.

Subjects most of them want discussed in the firm's reports include: the business outlook for the year, the company's position in the steel industry, dividend policy, earnings, research and new products, company products, postwar plans and problems, expansion and competition.

The shareholders showed a marked preference for pictures of plants and company products in the report, but were not interested in pictures of officials.

Thirty-nine per cent of the stockholders were satisfied with the report in its present form, 31 per cent reported it was "somewhat interesting," 10½ per cent found it clear, and the rest said it was either too general, too technical, too formal, too dull or too vague.

The questionnaire also invited the shareholders to comment on the company's weekly radio program, "Steel Horizons." More than 65 per cent reported that they had never heard of it, 27.9 found it a good program, 6.2 said it was just fair, and 0.6 per cent didn't like it. —WILLIAM MCCOMBS

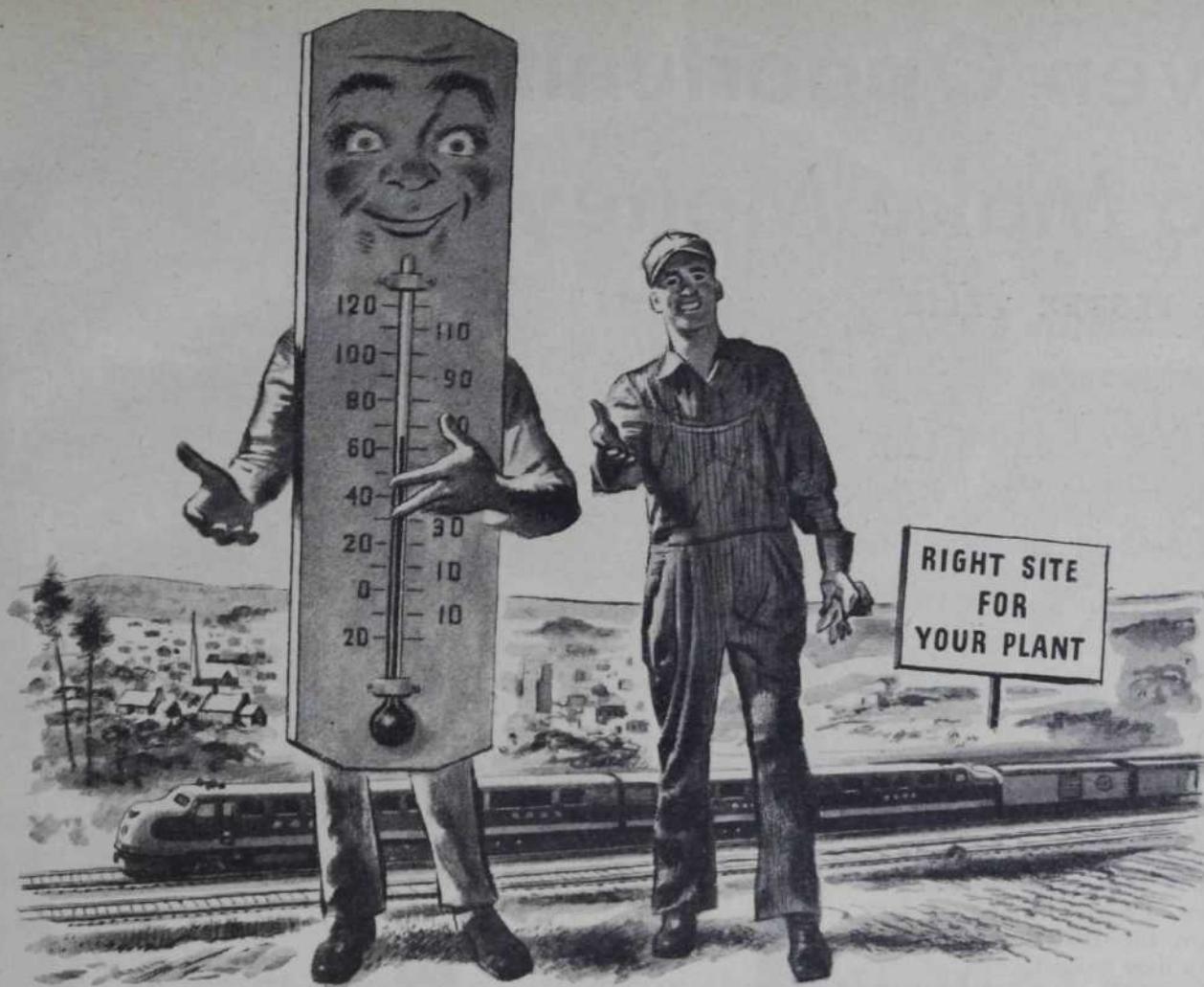
Talking Turkey With the Unions

(Continued from page 36)

many other things. Nor can a well-written labor contract, from either the management or union point of view, provide a good industrial relations program. However, clear, specific wording can prevent many disputes as to a contract's interpretation. Obtaining from a union a pledge to "cooperate" or to accept responsibility is meaningful only to the extent to which good faith exists between the two parties.

It is a curious phenomenon of collective bargaining that any "stiffening" attitude on the part of employers that suggests obtaining concessions in exchange for those given can be easily "smeared" as evidence of antiunion or "union-busting" tendencies.

Yet it is this very stiffening on the part of employers which may prove the only hope for the survival of collective bargaining as part of our democratic process. If employers merely assume a negative or purely passive attitude, collective bargaining will be a process between the Government and labor. The employer will merely be the agent through whom the demands are granted or denied.



Warm Welcoming Committee

This welcoming committee . . . mild weather and the Southern Railway System . . . is on hand to give a warm greeting to every new industry coming to live in the South, and to help pave the way to more profitable production and distribution.

Here, in the South . . . as many new industries have already discovered . . . the mild weather offers savings in plant construction, maintenance and fuel costs. It also permits out-of-door operations and uninterrupted year-round production.

Here, too, the Southern Railway System offers efficient, dependable, economical, mass transportation service for all kinds of freight . . . bringing

supplies and materials to factory doors . . . and taking finished products to ports and to consuming and distribution centers.

Moreover, the progressive Southland is a big market in itself . . . and it has unlimited raw materials, an ample reservoir of skilled workers, and abundant low-cost power and fuel.

Yes, you'll find a warm welcome, and plant locations geared to broader opportunities, if you "Look Ahead . . . Look South!"

Ernest E. Morris
President



SOUTHERN RAILWAY SYSTEM
The Southern Serves the South

Seven Opportunities to Make Money

By LESTER VELIE

A SURVEY OF the fields offering the best chances for the man with imagination and a willingness to work

IN THE great demobilization now going on, some 9,000,000 service men and 8,000,000 war workers must find new jobs, retrieve old ones, or drop out.

"I want to own my own business, be my own boss," say hundreds of thousands of young men with an idea for a store, a new service or a new gadget—or for distributing somebody else's new gadget.

"I want a career in a field that's going to grow, and where there's plenty of room at the top," say millions of others.

Where do the opportunities for fulfilling these American dreams lie?

In a society grounded on the liberty of the individual and his freedom to make choices, the ultimate responsibility for ferreting out opportunities lies with the seeker. This article explores some of the fields in which new businesses or rewarding careers may be found.

Some industries that have served the country well for years will doubtless decline in relative importance. Others will tend to expand only with national income and population. The industries in these groups are already well organized and capable of meeting growing demand without many new men, as wartime make-do has shown.

On the other hand, some war-expanded industries, such as aircraft,

The individual is free to choose his employment, and on him depends how rewarding his career is to be



PHOTO FROM YORK CORP.



... what else is in store for these Man-Made Gems?

THAT'S A GOOD QUESTION. But at this point no one can give you the complete answer to it.

The full possibilities of these man-made gems have not been explored. The making of synthetic sapphire and ruby in this country is an infant industry—born in World War II.

Prior to the war, all our synthetic sapphire and ruby were imported. When our supply of these war-vital materials was cut off, THE LINDE AIR PRODUCTS COMPANY, a Unit of UCC, at the request of the government condensed into months the research necessary to master the techniques of quantity production.

Of all the gems, synthetic sapphire and ruby, like their natural forms, are second only to the diamond in hardness. Already they have many uses.

They are long-wearing thread guides in

textile mills. They are the bearings in watches and delicate navigation instruments. They make phonograph needles that will far outlast metal. They are much in demand for jewelry . . . and are used for many types of cutting tools, gages, spray nozzles, burnishing wheels and insulators.

What else are they good for? If you are technically minded and read the italicized paragraph below, you may come up with a new answer or two.



LINDE SYNTHETIC GEM MATERIALS

In addition to extraordinary wear resistance and great beauty, LINDE synthetic sapphire and ruby are highly resistant to most chemicals and have high strength at temperatures up to 3,000 deg. F. and higher. Electrical losses at all frequencies are low. They can be given an exceptionally smooth surface, and can be bonded to other materials. Available in half-boules up to 150 carats, and in rods of 0.065 in. to 0.125 in. diameter.

For additional information send for the folder N-1 "Synthetic Sapphire Production."

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One of a series illustrating Cyanamid's many activities.

Summa Cum Laude

To the thousands of doctors returning from military service to private practice, the Honorable Discharge is in the nature of a new "diploma", conferred "with the highest praise" for their record of achievement. For in addition to safeguarding the lives of our men they have completed an advanced "course" in disease prevention and control through *immunization*.

Naturally, the job of immunizing millions of men not only against diseases known here at home but against many that are peculiar to other areas demanded—and still demands—huge quantities of vaccines, serums, toxoids and antitoxins. Lederle Laboratories, Inc., a unit of Cyanamid, has long pioneered in meeting such requirements. In addition to supplying basic vaccines for typhoid, typhus, tetanus,

smallpox and cholera, Lederle also furnishes serums for meningococcic and pneumococcic infections as well as antitoxins for dysentery, diphtheria, gas gangrene, scarlet fever and tetanus. Still further life and health saving contributions are made by Lederle in the form of human serum albumin, blood plasma and sulfa drugs for wounds, prophylaxis and the specific treatment of various infections. Many of these "mercy materials" were first developed and produced successfully by Lederle.

It is a foregone conclusion that the advances made by military medicine in the use of these materials will be extended to millions here and abroad as quickly as possible. Already they are be-

ing applied on an increasingly large scale to reduce the incidence rate and spread of various diseases. Cyanamid is proud of the part Lederle is playing in bringing the benefits of medical progress to people throughout the world.



American
Cyanamid Company

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transportation and electronics, will require more workers than before the war. But the armed forces have already trained men to staff these industries—probably more than will be needed for a while. There will be 100,000 more men than radio, television and radar will need for perhaps a year, according to the Labor Department.

But the industry built around the electronic tube is nevertheless headed for the type of development which the automobile experienced in the '20's. So are the collection of industries—manufacturing, transportation, service—being built around the airplane. There are others! The chemical industry, for instance, is spending \$800,000,000 on new plants and equipment in this first peace year.

Alert young men will, in the next few years, lay the foundations for fortunes (if they are risk-minded) or remunerative careers (if they are security-minded) in such new fields as frozen foods, and packaging and containers; in older but expanding fields like foreign trade or the electrical industry.

There will be opportunities even in that most venerable of mankind's economic activities, retail selling, to keep pace with new products and new services.

Airplanes and automobiles

THE automobile sent new blood coursing through the American economic organism and lavished fortunes and rewarding careers on inventors and salesmen, roadbuilders and tiremakers, engineers and press agents, chain gas station and roadside stand operators.

Is the airplane the potential jobs and opportunity-giver of 1945?

Pencil wielders of 1910 predicted a top ceiling of 10,000,000 cars by 1930. Actually, 26,500,000 passenger cars crowded the roads by that year. This figure would have startled the 1910 prognosticators.

The 1945 trend spotter, foreseeing airplane use by civilians, and commercial airlines and other owners a decade hence, is more imaginative. Civil Aeronautics Administration officials confidently predict that, with good times, some 1,200,000 civilians will be flying their own planes by 1955—a rate of growth that would double the rate at which automobile registrations increased from 1900 to 1910.

The scheduled air lines (as contrasted with the contract, commercial carriers) which flew 500,000,000 passenger miles in 1938 and

pushed it up to 2,250,000,000 miles in 1944, expect to increase their domestic business five-fold by '55, and carry, in addition, some 2,000,000 passengers to foreign points.

Several bills pending before Congress propose a ten-year \$625,000,000 spending program matched by state and local funds to build 3,050 new airports and to improve half of the existing 3,255 fields.

Taking all this into consideration, CAA estimates conservatively that civil aviation can create more than \$2,000,000,000 business yearly by 1955 and supply 750,000 more jobs than existed before the war.

In such an industry there is obviously a host of opportunities.

By-products of airports

HANDSOME rewards await business men, big and little, who will establish and manage the restaurants, taxi stands, hotels, beauty parlors, cleaning and pressing shops, insurance agencies, theaters that will spring up about the community-center airport.

Possibilities have only been scratched in America. The Templehof at Berlin was more developed ten years ago than LaGuardia Field is today. It boasted an open air plaza for beer and food, accommodating 1,000 persons. It was ringed with retail stores, entertainment facilities, hotels.

Americans love to visit airports. Numerous small airports have established restaurants for these visitors. At Roanoke, Va., the Roanoke Hotel operates a profitable cafe at the airport. At Easton, Pa., a night club attracts young folks from miles around. At Reading, Pa., an enterprising woman who puts out chicken dinners at \$1.25, finds the local population standing three deep on Saturday nights. Bowling, swimming, and other facilities are being installed at other airports.

Servicing of planes will never require the number of men which automobiles need, nor will the sale of gasoline provide the same opportunities as the auto gas stations. Nevertheless, the gas selling facilities at New York City's new Idlewild Airport will be offered at approximately a \$375,000 yearly rental.

While transportation and cargo hauling services will, of course, be dominated by the scheduled air lines, returning pilots and others are bravely hacking out businesses of their own in this field.

A band of ex-Flying Tigers, captained by 32-year-old Robert W.

Prescott, put up \$87,000 of their own money, obtained another \$87,000 from business men and went into the air transportation business with 14 surplus Conestoga twin-engine cargo planes.

Calling themselves the National Skyways Freight Corp., they offer to fly everything and do, their bills of lading to date covering baby chicks and penicillin, fruits and furs, vegetables and race horses and football teams. It took them three months to fly from the red into the black.

Well paying small businesses will be built on services performed from airplanes. Planting and crop dusting from the air, aerial photography, power and pipeline inspection, are promising fields.

"Aerial agriculture" is unfolding rapidly. Once rice was dry seeded and the field flooded. First birds followed the drills helping themselves to the seed, then ducks fed on the surviving growing rice. Now planes drop soaked seed which sinks out of sight of marauding birds, and "duck patrol" planes later shoo ducks and geese from the rice. Seeding from the air is also restoring thousands of acres grazed to depletion or burned out by fire.

Radio due for growth

THE radio industry, starting with a handful of visionaries broadcasting to crystal set zealots a few miles away grew in 25 years into a great industry employing 400,000 in manufacturing alone.

Poised now on the threshold of a similar development is television. One producer (Radio Corporation of America) plans to have television sets on the market by spring, sees 2,000,000 units yearly produced within five years. Some 150 television station applicants of FCC are inquiring about equipment which should cost from \$5,000 to \$500,000 a station. Twenty-five department stores have revealed plans to flash upper floor bargains on ground floor television screens, and two stores—Marshall Field (Chicago) and Gimbel's (New York)—are already edifying patrons in this way.

Industrial applications which may precede program broadcasting will permit factory managers to view plant operations from their desks.

To meet ultimate demand RCA plans capacity operations at five new plants built for the war. Research will keep pace in four new wings planned for the company's Princeton, N. J., laboratory, which will require several thousand research

food companies will also need salesmen, advertising executives, package designers.

Since frozen food companies are just starting out or still growing swiftly, men who hitch their careers to them have a good chance of getting in on the ground floor, working in a flexible outfit with room at the top—and in an expanding field.

More room for foreign trade

FOREIGN TRADE, another instance of an ancient activity offering opportunities under new conditions, should provide twice the 2,500,000 jobs it did before the war.

Opportunities are opening for men and women to handle a greater volume of foreign trade, to go into their own export-import business, or go abroad in one of the many jobs growing from increasing international intercourse, not the least of these opportunities being in the expanding Foreign Service of our Government.

The young man who wants to rise in foreign trade can't go into it cold. He should try to connect first with a small import-export house where he will learn all phases of the business: how to offer goods, what credit terms to ask, how to investigate the credit rating of the customer, how to prepare for shipment, ship the goods, bill the customer and take steps to collect what is due. Command of a foreign language is helpful.

But that is only a beginning for one who would start his own exporting business. He must know something of the intricacies of foreign exchange, familiarize himself with foreign tariff laws, follow the trend of economic and political events in his customers' countries. Then, if he knows where to buy goods and has established contact with customers abroad, he has a fair chance at making good in a fascinating field and doing his bit directly to foster international friendship.

Fortunes and careers await young men who can establish branch factories abroad. Alert enterprisers are picking up obsolete textile, canning, confectionery and fabricating equipment here and moving it to South America. One promoter is netting handsome returns by manufacturing chocolate bars in Caracas under a franchise from an American company. His situation is particularly happy because he is near cocoa (Trinidad) and sugar.

South American interest in American fashion apparel, in electrical appliances, hardware, sporting goods provides the big chance for enter-

prisers who can set up and operate manufacturing agencies.

Our foreign trade is expected to approximate \$10,000,000,000 yearly when goods become freely available again, and there is ample room for jobs and businesses.

Plastics materials continue to find increasing uses as chemists make them tougher and more heat- and shock-resistant and adapt them, custom-suit fashion, to specific tasks. It is a young and growing industry—130,000,000 pounds in 1938, as against an estimated 600,000,000 during the first peace year.

Some 50-odd plastics (powders) manufacturers ranging from du Pont and Dow Chemical and General Electric to modest one-shack affairs in Brooklyn can use chemists to improve materials and manufacturing methods. They need designers and fabricators to think of new uses for plastics. Salesmen are needed as are technician-salesmen who can advise customers on what to use.

Opportunities for profitable businesses exist for the man who can make a new plastic item that catches on. Relatively little cash is needed. Recent success stories include that of the company which produced dinner dishes in colors, at \$7.95 for a set of eight. Stores have been unable to keep up with the demand for them. A smaller concern has written a success story with plastic clothespins.

Plastics for use in home

HOUSEHOLD articles, say plastic fabricators, offer the most promising market for the moderate-sized enterpriser at the moment. Producers of plastics materials will work with you and help you get started if you have a salable plastics product idea.

Molding or fabricating machinery to convert the plastics powder into a salable product may cost only a few thousand dollars for a small item. Orders may be obtained through direct mail selling to stores and mail order houses or through agents and dealers.

Plastics experts warn that a six-months' apprenticeship (at least) with a large fabricator is indispensable to the man who would go into the plastics molding business. There are some 3,000 to 4,000 molders and fabricators making plastics products ranging from so-called proprietary items like ash trays to industrial parts. The number of fabricators is growing, indicating the field is yet open.

Trade associations estimate that, with expected good business over the

next several years, 6,000,000 more people will be needed in distribution. Most of these will fill rank and file selling jobs, but the figure measures the opportunity that awaits the imaginative, the well equipped and the prudent.

Some 450,000 stores shut down because owners went to war, and this well publicized fact has spurred half of all the 550,000 service men who want to go into their own business to choose retailing. This alarms seasoned observers in the business, and impetuous would-be enterprisers are being warned to investigate carefully before committing their savings or borrowings.

Care needed in retailing

IN retailing, the road to bankruptcy is usually paved with bad financing. Dun & Bradstreet estimates at least \$3,000 is needed to start a grocery store, \$3,500 a shoe store, \$4,000 a butcher shop, \$4,500 for men's wear and the same for hardware, about \$5,000 for a drug store without a fountain, \$7,500 for furniture and home furnishings and \$25,000 for a small department store.

Experts at the National Retail Dry Goods Association believe that the best opportunities for stores lie in rural areas where the owner can cash in on higher farm income.

With the full scale return of automobile travel, the prewar trend toward roadside stores is likely to gain considerable momentum. Good business futures are open to smart merchandisers who can operate roadside shops carrying quality goods at low prices based on low overhead. Filling stations, for example, will branch increasingly into hardware lines. Lew Hahn, director of the National Retail Dry Goods Association, dreams of "poor men's country clubs" by the roadside—glorified Coney Islands with arcades of stores, restaurants, bowling alleys, and the like.

A big opportunity awaits men trained in pharmacy. Five thousand drug stores disappeared during the war, and the American Foundation of Pharmaceutical Education estimates that 8,500 new pharmacists are needed, or more than three times the number now being trained. Drug sales were \$1,600,000,000 in 1939 and rose to about \$3,000,000,000 in 1945. The National Wholesale Druggists' Association estimates a 20 per cent expansion in selling facilities will be needed.

Finally, there is the traditional American path to riches, invention. Many a man with a product that

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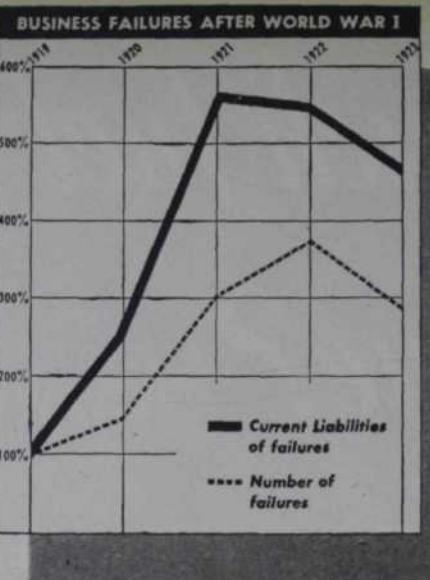
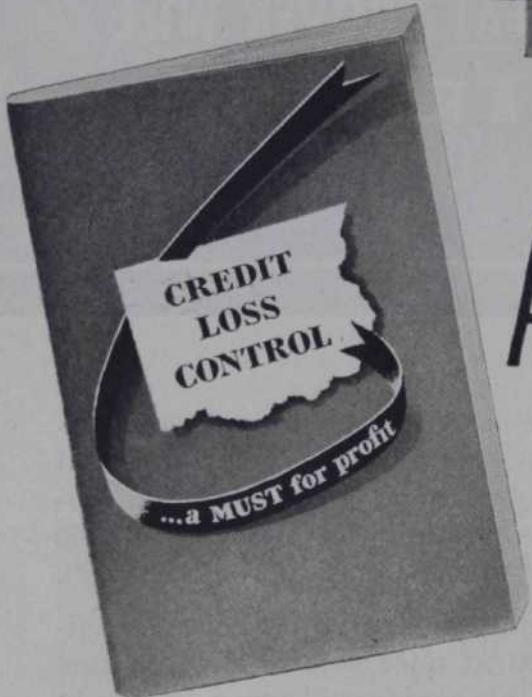
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LET'S LOOK AT THE RECORD. After World War I the number of business failures jumped . . . to 367% of the 1919 total in three years. Current liabilities of failures jumped even faster . . . to 553.7% of the 1919 total in only two years.

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makes sense, is easy to produce and that can be expedited from blueprints to shelf in a hurry will make his stake in the next year.

Never, according to sound men in manufacturing, have the times been so propitious.

For one thing, there is a hungry and widespread consumer demand for all manner of goods. For another, the road from invention to manufacturing has been smoothed and many of the old heartaches have been removed.

The Patent Office, for example, has undertaken to acquaint manufacturers with the devices on which it has granted patents, thus calling potential producers' attention to the brainchildren of inventors seeking manufacturing facilities. In addition, a new type of research organization has sprung up which studies markets for a new product and helps bring inventor and manufacturer together.

Typical of such organizations is Economic Services, Inc., of New York City, headed by Quincy Adams. Mr. Adams will find a manufacturer for your product, or, if you are a manufacturer in search of a product, he'll introduce you to the man who's just invented one. Or if it's an agency you want for distributing a new line of products, he'll dig one up, too.

Inventions needed

WHAT sort of items are manufacturers looking for? Labor saving devices for the housewife hold most promise. Into Mr. Adams' office recently has come a "Second Maid," consisting of a fractional horse-power motor with flexible shaft to which an egg beater or scouring device can be attached, or the works can be shifted to cellar workshop for the man of the house. Hundreds of concerns have the facilities to turn these out.

Other opportunities lie in providing new kinds of detergent soaps for dishwashing machines, in developing new toys, new housewares, rust removers and paint removers, DDT compounds. (Some 200 concerns are going to manufacture DDT compounds under the Geigy Co., Inc. licenses.)

In none of these ventures—invention, distribution or staking out a place in a new and expanding industry—is there any royal road to success. Careful appraisal of the field and shrewd judgment are necessary. For the man who combines shrewd choices with hard work and imagination the chances for achievement have never been better.



CENTRALLY LOCATED WORLD PORT

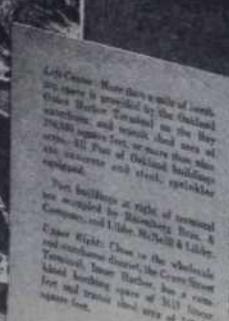
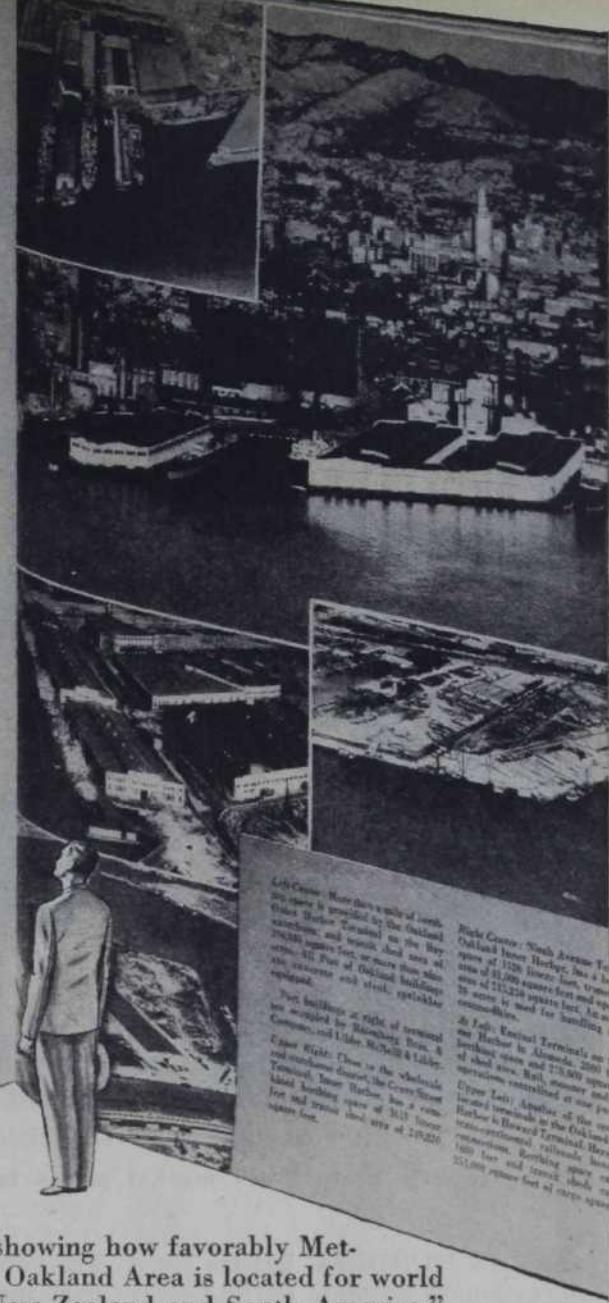
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And for importing raw materials to be manufactured and distributed to the American market.

On the mainland side of San Francisco Bay. Direct loading between ship and cars of three transcontinental railway systems.

Spacious deepwater terminals with thoroughly modern facilities for handling all types of cargo.



... "and here on page 22 is a map showing how favorably Metropolitan Oakland Area is located for world trade, especially with the Orient, Australia, New Zealand and South America."

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Walton

In Rome, the Bank of Italy, recognizing the black market, reports daily black market prices for 11 food products

SEVEN HUNDRED dollars for a Mickey Mouse watch in Berlin."

Money is no better than what it will buy. Any European today can testify to that.

"A hundred dollars for a pound of coffee."

What money is worth in Europe today depends on what kind of money you have and the side of the street you are on when you go to spend it.

In the open market the purchasing power of European currencies seems to hover nervously somewhere between the ground and the stratosphere. Dinner in Brussels cost me more than \$8. My lunch in a Paris hotel was \$16.50, at two cents per franc.

We cannot have sound international trade again until the rates of exchange between countries are related to realities.

But as yet, in Europe at least, what the realities are we do not know and the drafters of the Bretton Woods

Fund do not know. In Europe the war has made most goods extremely scarce or non-obtainable, but has left the people with a constantly growing supply of money. This has caused strange and sometimes bewildering results, with strict control and wild license existing side by side. Such business as goes on is done in a world all out of focus.

All degrees of inflation and monetary disease are to be found abroad today. We have heard of the incredible prices at which goods changed hands in China or Greece:

"Rice at \$5,600 a pound, a shirt for \$35,000, the price level 1,200 times prewar and still going up."

That is what happens when, without government rationing, the quantity of money and the quantity of goods on the market move persistently in opposite directions. The resultant vacuum creates an economic anguish which may result in a violent political explosion. In most of Eu-

rope, fortunately, the inflation pressures have been directed into less dangerous channels, but those forces are not under control.

In most European countries political revolt has been avoided by insuring to the people at least a minimum supply of life's essentials at fixed and reasonable prices. During World War II allocation of bread and other necessities and the control of prices reached a stage never previously attempted. The personal ration card became, and today remains, your official license to exist.

The cash in your pocket represents goods destroyed or consumed, a fact usually overlooked. All over the world the stock of money has been expanded over and over to "pay" the people for producing munitions. Too often this money cannot be spent for anything. Rationed goods in small



Soldiers sold army goods, and paid high prices for luxuries

amounts and at official prices absorb only a fraction of the available purchasing power.

Even in the United States, where goods are relatively plentiful, involuntary savings have multiplied and the people have got the comfortable but fictitious feeling of being "rich." In certain other countries where the war left nothing to buy, the enormous volume of money already has led to the virtual destruction of the money's value. In most European countries it has contributed to illegal

Money Runs Wild

By HERBERT M. BRATTER

A NATION'S BUSINESS correspondent spent \$16.50 for his lunch and writes this article to explain the matter to the business office



"I saw cigarettes changing hands at \$9.45 a pack"

trading in currencies, in rationed goods and sometimes in other goods such as diamonds. This is the "black market."

The black market is the cuckoo that hatched in the sparrow's nest. Governments, not knowing how to eject it, have had to recognize it as a necessary evil. On the black market you pay or receive much higher than the official prices. We in the United States, although not entirely unfamiliar with what a black market is, have seen nothing like the scale of Europe's black markets and our Government has never given up the fight.

Black markets skyrocket

AN insight into the black market during the war is contained in a report from Denmark. At a time when the official price of used bicycle tires was 350 kroner, tires were bringing 2,000 kroner on the black market. Coffee, which was unobtainable through official channels, sold for 40 kroner per kilo.

In Copenhagen only recently I was told of people seeking, and getting, travel permits so that they could fly to neighboring Sweden to buy a bit

of coffee, tea and tobacco. Appetite, like love, will find a way.

European Governments have been obliged to recognize and tolerate black markets. They keep detailed data on it. In Italy, for example, the official *Instituto Centrale di Statistica* publishes regular information on family expenditures for food in the free and black markets. Its data show that in March a typical Naples family of five spent 10,175 lire for food, of which 4,765 lire were spent in the free and black markets. The rest was spent against food cards. The Bank of Italy publishes black-market prices in Rome for 11 different food products.

In Belgium I saw similar official statistics, while in Finland the Minister of Supply publicly admits that supplies are being diverted into the black market from manufacturing and distribution channels. Finnish newspapers report that in some instances officials have collaborated in this illicit trade.

Naturally, since the black market is illegal, it entails concealment and dishonesty. Farmers falsify their reports of crop yields and business men underreport their inventories. The widespread European black markets reflect a general letdown of morals. When I asked a French official whether that was not the case, his answer proved my point. This man, once a member of the French underground, merely observed:

"Concerning the spirit of the French people, while it is immoral not to obey government regulations, sometimes those rules are not well devised, which makes the people feel abused. A case that comes to mind is

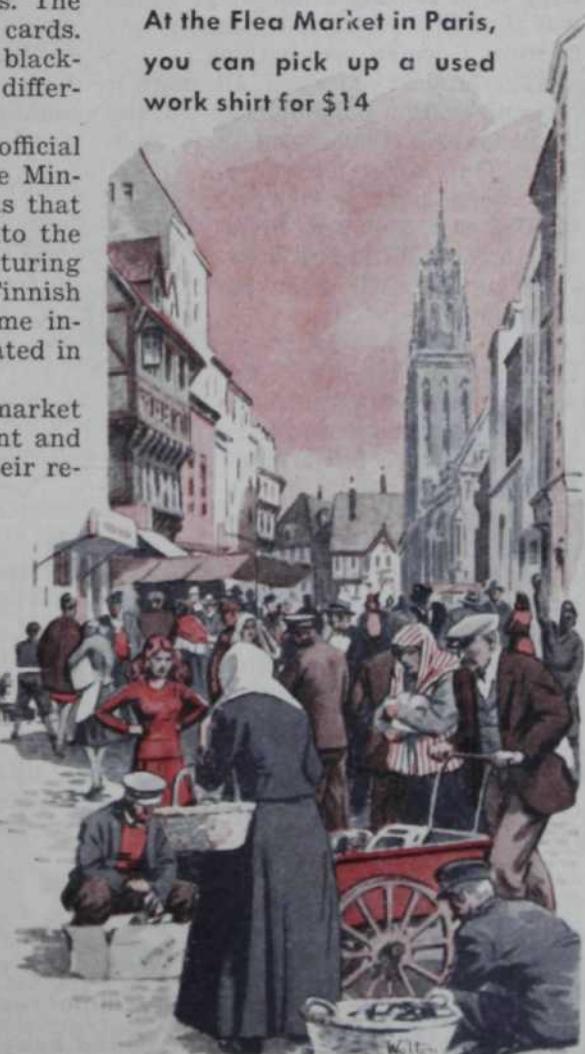
where a farmer is asked to sell at less than the cost of the product. Another is where a consumer does not feel fairly treated. In such circumstances people resort to the black market."

After the liberation, a report from the American Embassy in Paris described the black market in foods like this:

"The black market is the counterpart of food control—of rationing, collection and price control. No one admits liking the black market yet practically everyone buys or sells through it. Consumers, producers, dealers and government officials all admit that the official rations are inadequate.

"Although the black market car-

At the Flea Market in Paris, you can pick up a used work shirt for \$14



ries a sinister connotation, many people have actually made money through it and would not like to have it completely controlled. Its existence also makes possible favored treatment for certain classes who pay for it. Even the low-income consumers have certain pecuniary compensations from the black market. Those who do not smoke, for example, are able to buy their small rations of tobacco at low, controlled prices and to resell at fabulous profit. Other semiluxury food items, such as coffee, chocolate, etc., may be resold. Many low-income families make trips to the country and transport small quantities of produce, some of which they sell through the black market. In other words, a large portion of the consumers are actually sellers on the black market. Almost all are buyers through it.

Black markets fought Germans

"IT should also be pointed out that the penchant of Frenchmen for clandestine buying and selling was augmented greatly during the period of German occupation, when it was patriotic to sell food through black-market channels rather than to deliver it to the Food Ministry, which was thought to be a collection agency to meet German requisitions.

"The Ministry of Food, although it recognizes the insidiousness of the black market, feels helpless to combat it. Only token measures have been taken to repress it. The only apparent hope for its elimination is that food supplies will soon be abundant."

From an old friend in Belgium I obtained an equally interesting account of the development and continuance of the black market there. According to that man, who spent the whole period of the war in Brussels, "the first purpose of the black market was to consume things the Germans wanted. Most Belgians knew the Germans from the invasion of a quarter century ago. We knew what they would take, and so we concealed those things. Soap is an example. So long as soap was displayed in the stores, everyone bought it. Soon the shopkeepers and wholesalers concealed their stocks of soap. Any imported merchandise—such things as coffee and wool—

came to be hoarded like gold and diamonds, and a black market in them sprang up. A different black market developed early during the occupation in perishable domestic products such as potatoes, meats, butter, fats.

"Later another development affected the black market: the Germans started deporting Belgian young men for work in Germany. Many Belgians naturally sought to escape this levy by disappearing into the countryside. Since they had to have ration coupons to live, they had the choice of printing counterfeit coupons or stealing real ones. The latter method proved to be the simpler. Ration coupons were taken by force while being distributed by car. Also, in the Ardennes, farmers fed the boys without coupons.

"These various pressures helped create the scarcities and black markets in foods, clothing and medicines, so that soon even German officers and soldiers were bringing butter, liquors, furs and other articles from France.

"Came the long-awaited liberation, and the stores were suddenly full of goods that had been kept away from the Germans: luxury items like Brussels lace, porcelains, fountain pens, wines, perfumes and leather goods. The allied soldiers started buying such items and willingly paid high prices for them. When their money ran out, they would raise more money by selling, say, some gasoline,

raincoats, or other Army supplies. For example, such a trade developed in Canadian army blankets that a flourishing business grew up in women's overcoats made from them, and in the end the military police had to issue an order prohibiting Belgian dyers from dyeing any blanket.

"The black market in cigarettes since liberation is, of course, a story by itself. Such black markets exist in all countries where large numbers of allied troops are stationed.

Food smuggled into town

"THE wartime black market in edibles did, in fact, reduce the supplies available to the Germans. Poorer Belgians made a habit of traveling to the country to get butter. For instance, our maid was able, because of the butter she brought to the city and sold on the black market, to eat butter herself. In this way the health of the people was benefited and, we Belgians believe, even though such dealings made some people rich, that the black market saved many lives.

"Now gradually, with official supplies increasing, less and less meat, butter and milk are being bought on the black market, although potatoes still are being bought there extensively."

For a time a lively black market in diamonds existed in Belgium. In view of the importance of the diamond-polishing industry in prewar

Belgium, the Government, after liberation, decided to help rebuild the Antwerp diamond trade. It made foreign exchange available for the importation of rough diamonds, with the understanding that the polished stones would be re-exported. But the trade immediately started to "chisel," exporting less than was brought in. The illegally retained difference was the basis for an illegitimate trade with France. It is believed that considerable smuggling of diamonds still goes on in Europe, and the press has reported cases involving allied officers traveling back and forth.

Many French stores other than food stores, I am informed, sell on both legal and black markets simultaneously. Customers frequently are advised that the store cannot supply the desired article on a ration-stamp basis, but can supply



"Why don't you bring your old one in—maybe a few minor repairs and adjustments will make it last—Good heavens! What have I said!"

it without stamps—for an extra consideration, of course. Even when the goods are openly on display, they are not always for sale at the legal price. In such cases, the shopkeeper frequently receives an additional sum, of which he makes no record. This practice is said to be widespread.

Early this year it was reported from a certain French city that the few consumer articles of American manufacture available to the people were all being sold on the black market. Most of these goods, incidentally, were stolen from American Army stocks, although some of them had been bought by GI's at post exchanges and then sold to Frenchmen. Among American goods thus finding their way to the black market were razor blades, soap, gasoline, coal, sugar, bacon, butter and canned foods.

From time to time the newspapers report large thefts of food stocks, but rarely the capture of the culprits.

Food carried by travelers

IN Europe legal food rations are supplemented not only in the black market but also by quasi-legal methods. Some of the clandestine procurement practices regarded as patriotic during the war have survived. One of these is the shipment of food packages from friends in the country to city dwellers, or the carrying of food by persons who visit the country by train, car or bicycle. In Bremen I saw hikers coming into town with knapsacks disclosing the shapes of vegetables or fruit. Outside Oslo, Norway, I saw many similar hikers boarding city-bound street cars. On the roads leading to Paris from the country, cyclists laden with bundles are a common sight. Apparently it is permitted to transport as much food as one can carry. Even in England, where food is much more plentiful, a fellow passenger on a cross-country bus opened his suitcase to show me that it was full of apples which he had grown and was taking to some friends.

In the U.S.S.R. there is no large-scale black or illegal market. There is, however, some equivalent, although the Government is always in a position to control it. The Russian citizen has three possible markets he may patronize.

First, his essential ration of food and clothing comes from government-operated stores or restaurants, which sell at low official prices unchanged since the war.

Second, there is the "open market," where the citizen may legally supple-

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ment his ration with surplus collective-farm food or used consumer goods sold at inflated prices, generally about 20 times the prices of the regular ration stores.

Third, there are the "commercial stores," operated by the Government chiefly in the big cities, in which prices are determined solely by demand. Goods in these stores are sold at about the same prices as in the open market, but are usually of better quality and better packed. Through these stores the Government can compete with the open market and, if desired, keep prices under control. In general, the open market and the commercial stores are the Government's instruments for mopping up excess purchasing power.

Money put in circulation

GI spending has complicated Europe's money problems at the same time that it increased the dollar balances of those countries. Americans have had plenty of money to spend, and generally don't mind how they spend it. Wherever large numbers of American and other troops were gathered, therefore, their spending increased the currency in circulation and aggravated the problem of preventing inflation.

In the lands occupied by the Germans the situation upon liberation, of course, was far worse. It was the heritage of an exhausting enemy occupation. Because of it, it is impossible today to say what the French franc, the Dutch guilder, the Danish crown, etc. are worth, internally or internationally. In a large part of Europe the amount of currency outstanding today is not wealth but the tangible evidence of impoverishment.

Germans added to currency

THE more goods the Germans hauled away, the greater became the volume of local currency outstanding. The Germans financed the process by exacting indemnities in currency through the central banks. The currency the Germans spent was merely a circulating requisition receipt. In the process, collaborators and others were "enriched."

Liberation, therefore, posed to the Governments concerned the two-fold problem of reducing the number of units of purchasing power in the hands of the general public so as to avoid panicky inflation and of recovering from citizens as much as possible of the profits of tax evasion and collaboration with the enemy. These have been the objectives of the cur-

rency purification programs which the liberated countries of Western Europe have undertaken.

Since the calling in of old notes and issuing of a similar amount of new currency in exchange rendered worthless large amounts of tainted currency, the imminence of these measures gave rise to a special and quite spectacular kind of market just prior to the purification, when people tried to get rid of "black" currency.

I was in Holland shortly before the date announced for the calling in of the wartime currency. A lively sidewalk market in cigarettes and other articles existed in the larger cities. I saw cigarettes changing hands at 25 guilders (\$9.45) for a pack of 20. When the jeep in which I was traveling pulled up at the public square in Haarlem in a heavy rain, several citizens immediately came up, offering to buy cigarettes at a guilder (38c) each. Prices everywhere in Holland were on a panic basis: \$3,200 (in guilders) for a bicycle, \$20,000 for a grand piano, \$38,000 for a second-hand car, \$3,800 for a camera.

Cigarettes the standard of value

WHILE these fantastic prices were due to the imminent monetary purge, the situation—excepting the degree—was typical of all Europe. The Continent could almost be said to be on the cigarette standard.

That cigarettes came to occupy such a position may be attributed to the widespread demand for them and to the fact that they have, faintly it is true, some of the attributes of currency: they are easily recognized, reasonably uniform in size and quality, and—compared with the current paper money—reasonably durable if handled carefully.

Cigarettes are prized as tips anywhere on the Continent. My attention was called to the waiters in a large Amsterdam hotel actually refusing tips offered in the currency which was soon to be called in.

At the American mess maintained in Paris, the regular tip left by Embassy people is two cigarettes. One day a visitor who started to leave three cigarettes as a tip was politely urged by another guest not to inflate the market.

A traveler returning from the Balkans and nearby areas reports extremely high prices being paid there for such luxury articles as cigarettes and candy bars. Cigarettes have a high barter value in a region where barter for supplies is customary, even in normal times. In Greece and Italy one may get a pair of locally

made shoes for a couple of packs of American cigarettes. Smokes are also useful in crossing official palms when one is seeking a travel permit or a less important theater ticket. On main streets in Athens one can see displayed for sale at high prices not only American and British cigarettes, but candy and canned goods put on the market there by recipients of UNRRA supplies, as well as by members of the armed forces.

Demand and supply

THUS, it is not only on the black markets that one encounters high prices. The shortages of goods and the overabundance of money results all over war-torn Europe in seemingly exorbitant prices for non-rationed articles. This is Europe's really free trading, where demand and supply come to terms openly.

En route from Paris to London on the "boat train" I met an Englishman who had spent 25 years in France. His business was leather. He knew France intimately. During part of the occupation by the Nazis, he passed as a Frenchman. He showed me with seeming satisfaction a pair of rough-finished shoes he had had made to order in France out of leather supplied by himself. These shoes, their cork soles covered only thinly with leather, had cost him 4,000 francs—\$80 at the rate of two cents per franc—and he was glad to get them. Either 4,000 francs was a fantastic price for the shoes, or two cents is an utterly unrealistic value for the franc.

Junk for sale at high prices

AT the so-called Flea Market on the outskirts of Paris—the Marché Jules Valles—one sees spread on the ground for sale at high prices heaps of junk of the worst kind. Every sort of cast-off consumer goods is on display, articles which in the United States in most instances would be simply destroyed. One sees old shoes in all stages of wear and decomposition, yet there are customers trying them on for size right on the sidewalks. A work shirt, unwrapped and doubtless used, a shirt which in America would be worth 75 cents when new, is offered at 700 francs (\$14.00). A second-hand harmonica is offered for 350 francs. Mingling with the crowds are Algerian soldiers holding a few packs of cigarettes they are offering at 100 francs per pack.

In Britain, where supplies of food and goods are much more plentiful

Better put supper in the oven



Won't be home tonight. Have to work. Have to catch up. Everything's all a fumble again.

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Can anything be done to stop this constant drain on manpower and finances? Can a business ever keep vital figures current? One answer is *business form engineering*.

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than in the liberated countries of Europe, the black market is not so much a problem. Yet there, too, one finds the surplus of purchasing power in the hands of the public expressing itself in a variety of ways. Whereas living essentials are rationed and controlled, unrationed and uncontrolled articles and services are sometimes extremely high. For example, rents of unfurnished apartments are under control, but there is no control in the case of furnished apartments. Any apartment in which the landlord chooses to leave a few sticks of furniture is "furnished," and the rent is, by American standards, high. A woman in the American Embassy seeking a place to live found that she could get a two-bedroom furnished apartment without constant hot water for the equivalent of \$190 per month. A three-bedroom furnished apartment, 45 minutes from London, was available at \$235 a month.

Leases for terms too long

AN American official in London looking for an apartment recently was offered one under a 97-year lease, but turned it down because he didn't expect to be in England that long. He said that, generally speaking, London landlords want to rent houses for seven, 15 or sometimes 25 years. After V-E Day housing conditions in London became more difficult than ever, with Londoners flocking home from the country and repatriated troops adding to the congestion.

Describing living conditions, this official said: "The rations are so small and unrationed articles are so scarce that resort to the black market results.

"Thus, while no chickens are available at the controlled price, chickens may be had in the black market at £1/15s (\$7) apiece. Tomatoes, cucumbers and onions are sold under the counter to favored customers. Some grocers do not display their fruit at all."

Other British food prices are interesting to Americans.

Rationed hen eggs: 2d. (about 4c) each.

Unrationed pigeon eggs: 2s. 6d. (about 50c) each.

Unrationed duck eggs: 2s. 9d. (about 55c) each.

Unrationed fresh figs sell in London at 3s. (60c) apiece, peaches at from 5 to 15s. (\$1 to \$3) apiece, cantaloupes at 10s. (\$2) and up, green grapes at 20s. (\$4) per pound, green peppers at 6s. (\$1.20) each.

Clothing is cheap in England, but

difficult to obtain. New furniture prices are controlled, but second-hand furniture is not. If you can demonstrate need, you can get new furniture, but for a second-hand easy chair, for example, you may have to pay \$60, and for a settee, \$200. Stocks of sheets, blankets and towels are extremely low. Part-linen sheets bring \$21.40 a pair. Utility-size cotton hand towels sell at 2s (40c). A blanket with some wool in it costs £1/15s. (\$7). A man's poplin shirt brings £1/9s. (\$5.80).

In the continental countries I visited, I rarely met another American dressed in civilian clothes. One day as I was passing the Gare du Nord in Brussels, a Canadian soldier, mistaking me for a Belgian, held out his wrist to me and silently pointed at his new wrist watch. When I addressed him in English, he spoke, saying he had mistaken me for a man who only that morning had tried to sell him a wrist watch. The Canadian added that he had succeeded in buying one more cheaply. The watch he showed me cost him 3,000 francs, or something over \$60. I remarked that it seemed rather expensive. The soldier replied: "It didn't cost me anything, because I got the francs for nothing."

From his bulging blouse my Canadian friend, who was leaving for home the next morning, drew a camera to show me. This, also, had "cost nothing."

Black markets are unmeasured

WHILE the widespread prevalence of black markets in Europe is incontestable, the very nature of such trading makes its measurement in most cases impossible. Generalization from personal observation is risky. Nonetheless, a few conclusions seem safe.

The extent of the black market in necessities varies from country to country. It has gone to much greater extremes in Latin Europe than in the Netherlands or Britain, where the people by habit are more law abiding or where rationed goods have been more plentiful.

In the case of foods, the black market is largely a city phenomenon in the first instance; but since it takes two to make a bargain the rural areas are involved.

Persons near the bottom of the income scale in a country where black market trading is important are at a disadvantage in competing with their better-to-do fellow citizens.

The sure cure for the black market in necessities is an ample supply. As

production and imports increase, the importance of the black market in Europe will diminish.

Under what circumstances will European money be restored to a position of respectability? What needs to be done, and will it be done? Obviously two measures can help:

Amount of currency reduced

ONE is to reduce the volume of purchasing power in the hands of the people. Another is to increase the supply of goods on the market.

The first step has been taken in France, Belgium, Holland, Denmark, Norway, etc.

Some countries took the step perhaps too early or not vigorously enough; others too late. In France, where the old currency was called in for exchange, the amount of new currency in the people's hands is still too great to make possible a return to normal business.

Moreover, the "two cents per franc" rate of exchange selected by the French Government for the sake of immediate advantages will make the resumption of French export trade impossible. In such a case, drastic devaluation—if not an entirely new currency unit—is the indicated answer.

Other countries are thought by some to have waited too long in introducing their currency purification measures. Holland is in this class, although the measures it is taking are really determined.

Increasing the supply of goods is an economically sound measure for most European countries to adopt, but that is easier said than done. If large American loans to and investments in Europe are forthcoming, ultimately there will be more goods available to the people of that Continent.

Bank notes are not wealth

BUT such loans and investments are more likely to take the tangible form of producers'—or even military—goods than of consumers' goods, so their full benefits won't be apparent immediately.

Meanwhile, the reservoir of outstanding paper money in Europe is a daily reminder to the people that not bank notes but tangible goods are wealth; that imports of merchandise are more beneficial than exports, which are only a means to an end; and that an ever-fatter pay envelope is worse than meaningless, if there is no correspondingly fatter market basket on the kitchen table.



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TENNESSEE DEPT. OF CONSERVATION

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I Like Hillbilly Horses

By LABERT ST. CLAIR

TENNESSEE'S walkers are as comfortable as an office chair for the executive—and a very nice business for the natives who raise them

HORSE-LOVING business and professional men throughout the nation are making a handful of dirt farmers in central southern Tennessee prosperous through the purchase of their hillbilly walking horses. The best of these trained saddlers, native to only ten Tennessee counties, are selling readily at \$500 to \$12,000 each. A good average price is \$750 to \$2,500. Even at these fancy figures, the demand usually exceeds the supply. There are only about 11,000 walking horses registered in the world, and the annual foal of a few thousand is quickly bought.

Chief reasons for the popularity of walkers among business men are that they perform stylishly, give an exhilarating and comfortable ride and, when properly trained, are as safe to



Jim Joe Murray sells walkers, sight unseen, to people all over the world

sit on as an office chair and much more fun. No other breed of horses is so uniformly kind, gentle and patient. A fractious Tennessee walker is rare and, when found, his faults usually trace to improper early training or abuse.

Almost without exception, walkers are ridden simply in an open bridle with a single rein attached to a mild curb bit. They usually are guided merely by laying one line of the rein against the neck. Rein yanking is absolutely taboo among informed walking horse owners.

Riders of all ages

WALKERS perform equally well for young, middle-aged or old riders. Owners registered at the national Tennessee Walking Horse Association headquarters in Lewisburg, Tenn., range in age from six to 85 years. The majority are men and women of middle-age or older. Among widely known walking horse owners and enthusiasts are Mrs. Franklin D. Roosevelt, former Secretary of War Henry L. Stimson, Speaker Sam Ray (Continued on page 75)

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CHAPTER TWO—1935

Home movies in full color on Kodachrome Film.

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CHAPTER SIX in Kodak's History of Color

Kodacolor Film brings to the amateur, with his usual camera, full-color snapshots on paper—as many as he wants from each negative. This all-important chapter makes picture-taking a wonderful new experience. It starts with the first roll of Kodacolor Film you buy!

These six chapters cover a peaceful, glorious revolution—the steps through which photography

has become a true mirror of life, showing not only the form but the lavish, spendthrift color with which nature brightens our world.

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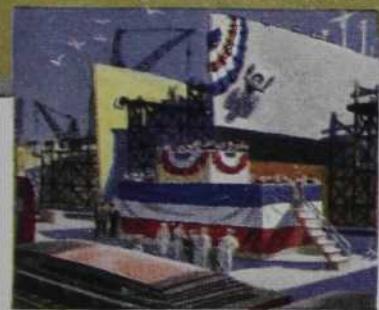
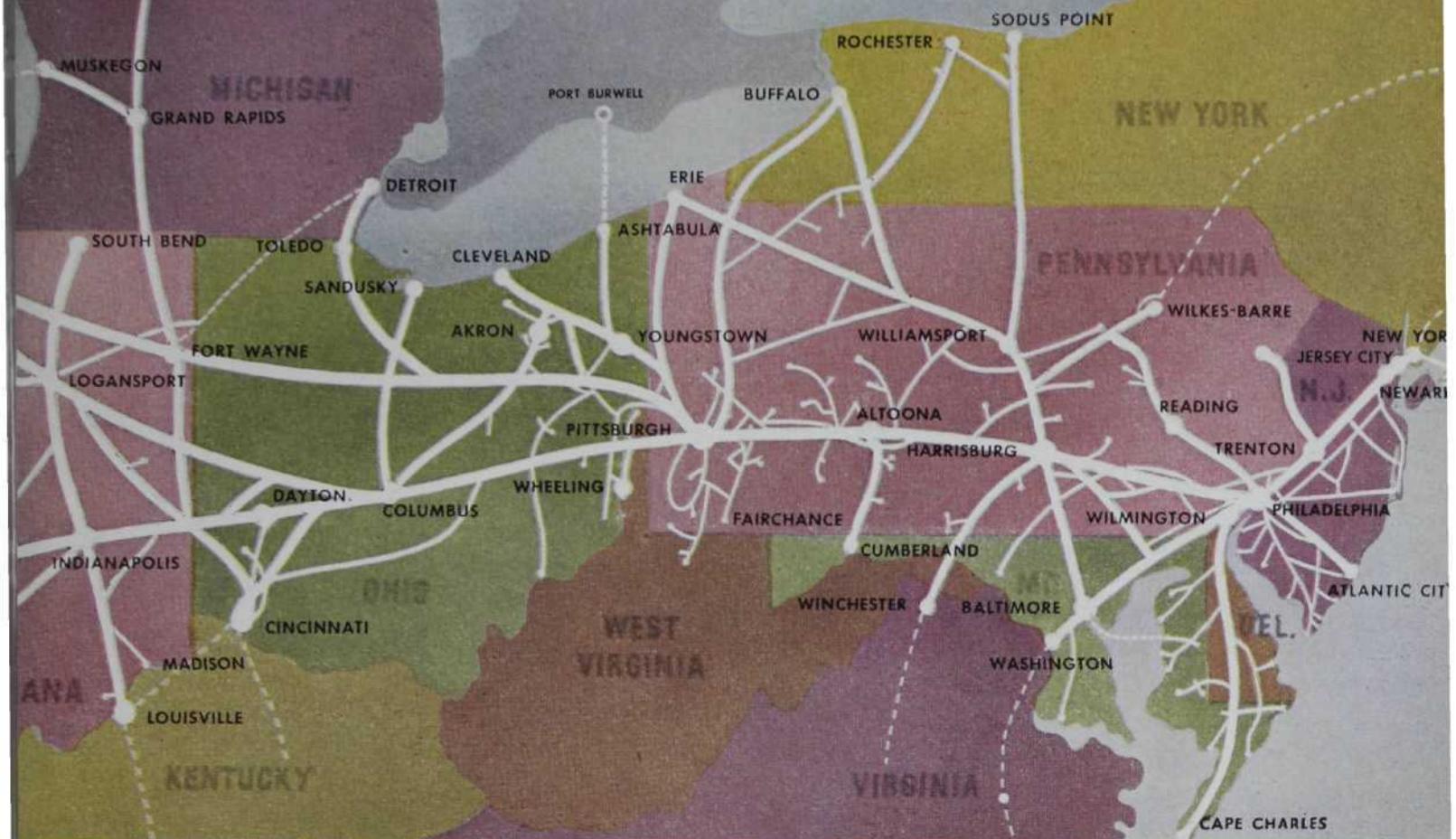
DELAWARE. A state small in area but rich in industry and agriculture.



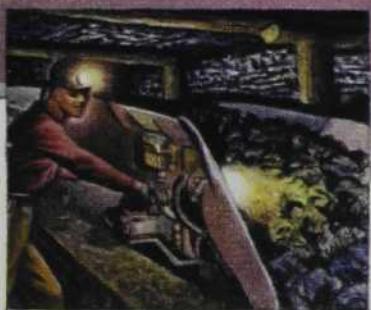
MICHIGAN. Home of the assembly line. A great farming state also.

MACKINAW CITY

ONG THESE LINES



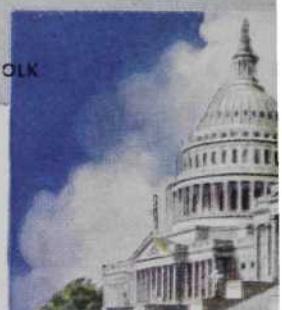
VIRGINIA. Great builder of ships. The Pennsylvania extends to Norfolk.



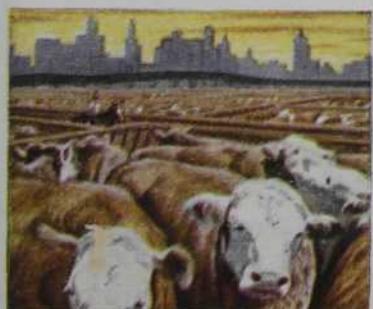
WEST VIRGINIA. State of steel, coal and other large natural resources.



MARYLAND. Factories, farms, fisheries and the port of Baltimore.



WASHINGTON, D. C. Also a distribution center for consumer goods.



ILLINOIS. Chicago, with its packing industry, and other enterprises.



MISSOURI. St. Louis west, everything from chemical plants to baby chicks.



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The year was 1896. Only 45 states made up the Union—McKinley was campaigning for President—the needs of American business for corporate suretyship led to the formation of United States Fidelity & Guaranty Company. Today, its 8,000 agents, located throughout the United States and Canada, help safeguard business and the individual by writing practically all forms of fidelity and surety bonds and casualty insurance policies. In the Air Age, as in the Victorian Age, U.S.F.&G. is Protection!



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burn, Tom Girdler, Paul Whiteman, Will Clayton and Gene Autry. Their age range is from 48 to 78.

Walkers now are registered in all of our 48 states. Prior to the war foreign shipments were made to Mexico, Canada, Puerto Rico, the Dominican Republic, Alaska and Cuba. Orders for shipments to other foreign countries await the return of commercial water traffic.

Most walkers possess just three gaits—a flatfoot walk, a running walk and an easy rolling canter. In action at any of these, the walker is so different in style and so graceful that he always attracts attention. The zest with which he enters into his work is striking, especially when he is fully engaged in a running walk. Then he not only does a rhythmic beat with his hoofs, but he also frequently nods his head, swings his ears and snaps his teeth at the same time.

The flatfoot walk, slowest of the three gaits and with a speed of four to five miles an hour, is a diagonally opposed movement of the feet. It is "square" and is done "on four corners." The walker first puts down his right front foot and then follows with his left rear foot. Next he sets down his left front and follows with his right rear. This gait is bold, even and of comfortable carriage to the rider.

The running walk is a faster movement with a speed of six to eight miles an hour. It is

started like the flatfoot walk. As the speed is increased, the hind foot usually oversteps the front track from a few to as many as 18 inches. This is where the "stride" of the walker gives a "gliding" sensation to the rider. Thus, the hind print of the true walker is ahead of the fore print. It is the only gait of a horse where the fore foot strikes the ground a mere instant before the hind foot. This gait has a smooth and a gentle spring of the limbs.

Walker's gaits are natural

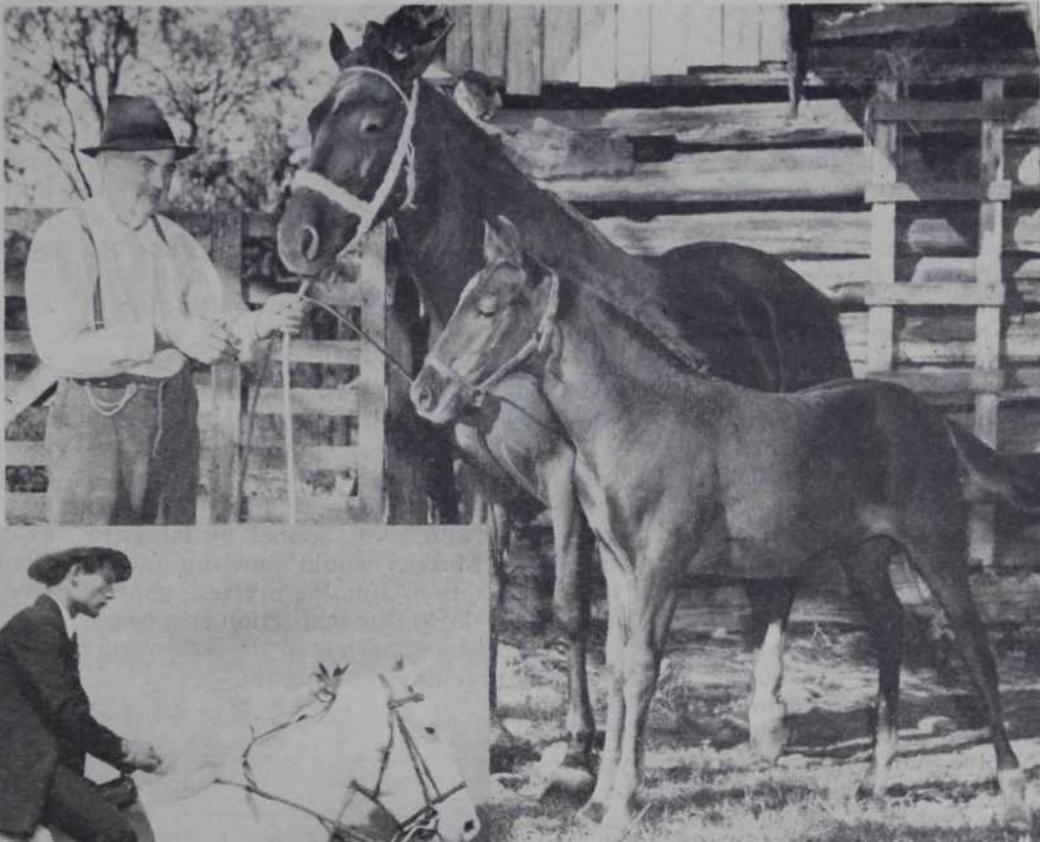
THE canter is a rise-and-fall movement that has a lot of spring and rhythm, but is without appreciable jar or jolt to the rider. This gait is a "refined gallop" with a rolling motion that has become known as the "rocking chair" movement.

So natural are the gaits with the

young of the breed that colts, usually foaled in the spring, do the running walk at birth. Foals are seen to "walk" with all the ease of older horses while they are yet by the sides of their dams. Put under the saddle at two years, walkers require no arduous period of training. They go the "free and easy" gaits in a comparatively short time. Thus far, only by crossing two walkers have walkers been produced. Cross breeding between walkers and other breeds is being tried particularly in the western cattle country.

The exact origin of the Tennessee walker is undetermined. Authorities who have made extended investigations of the question insist that he stems mainly from the Narragansett pacer.

The first of this breed was brought into Tennessee in 1780 by settlers who emigrated west from Virginia



Almost every farmer in ten Tennessee counties raises from one to six walkers a year as a cash crop



The walker's hind foot oversteps the front track from a few to 18 inches. This "stride" gives the rider a "gliding" sensation

and North Carolina following the battle of King's Mountain. Money and animals being scarce, the hill country settlers sought to develop a general purpose horse which could be ridden, driven and worked. The walker, sometimes called a "plantation" horse, was the result.

It is generally agreed that while the predominant foundation stock probably was pacing, a little thoroughbred, saddle, and Vermont Morgan blood also was fused into the breed. When, in 1935, Jim McCord, then a Lewisburg weekly newspaper editor and auctioneer, but now Governor of Tennessee, and Burt Hunter, a Lewisburg farmer, promoted the idea of the national Tennessee Walking Horse Association, Allan, a double-gaited black trotter and pacer, born in 1886, was agreed on as the No. 1 foundation walking horse. He now heads the registry, but there were walkers in Tennessee long before that date.

Larger horses are sought

GENERALLY, the walker is 15½ to 16 hands high and weighs 1,000 to 1,250 pounds. The breeding tendency today seems to be toward the larger horse, due, probably, to the fact that middle-aged persons who prefer and can afford to own walkers usually carry more or less weight for age. Somewhat heavier of bone than the American saddle horse, the walker responds readily to breeding for increased size and weight.

Walkers come ordinarily in the usual colors of bay, sorrel, chestnut, black, gray and white, but a number of them are roans, and white markings on both the legs and body are common. Because of the demand for flashy horses for parade purposes, some breeders are successfully endeavoring to add color to walkers. Strawberry roans are common and the blue roan is another unusual type.

Under harness, most walkers trot, but a few pace. These gaits are not encouraged, however, as frequent indulgence in them may mar the walking qualities of the animal. Many walkers are broken between shafts.

Ordinarily, walkers carry their tails naturally. In the case of show horses, tails sometimes are set. It is not unusual for the small-time dealers, who want to give a horse with a natural tail a little more class, to place some ginger where it will do the most good. This treatment always gets results, and also explains the old saying, "feeling his ginger."

Lewisburg, population 5,000 and located 60 miles due south of Nash-

ville, is the capital of the walking horse world. Here all registry books for the breed are kept, the only exclusive walking horse magazine is published, most of the sales for young native Tennessee walking stock are conducted, and Jim Joe Murray lives.

Encyclopedia of walkers

MURRAY is important in the walking horse world. He is as near a national clearinghouse for walking horse sales and information as can be imagined. He is familiar with the history of almost every walking horse that ever was foaled and has done more than any one man to promote the breed, mainly on a non-profit basis. He sells horses, but only when he is sure they will help popularize Tennessee and his beloved walkers. Most of his sales are made by mail on a "sight unseen, money-back" basis, on orders from all over the world.

Governor McCord, of Tennessee, who used to be in Congress and long recognized as the premier walking horse auctioneer of the world, sent me to see Murray.

"Just go to Lewisburg and tell Jim Joe Murray that you want to see and hear about walking horses, and then sit back and let him do his stuff," the governor said. "You won't want to leave, ever."

The governor knew what he was talking about. Jim Joe was not in Lewisburg when I arrived, but the local hotel man, who also is the Western Union agent, knew the governor had sent me so he told me to just sit down and wait. Sooner or later, he said, Murray would show up and go into action. Jim Joe arrived, shortly after dark. Our inspection trip began right then and lasted the better part of three days and nights.

Initially, Murray got Burt Hunter out of bed and made him exhibit a couple of geldings by moonlight. When, every now and then as our tour progressed, Murray would have to pause to explain to some out-of-town visitor that he would do his best to find him a walker but that the supply was mighty scarce, his right-hand man, Sam Bailey, would take over. Between them, we covered a lot of ground and saw plenty of walking horses, including stallions, geldings, mares and foals.

Jim Joe raises walkers on the farm where he was born, at the edge of Lewisburg, just above the creek. He says that when he was a boy he came to know the gaits of the different local walkers by ear. He knew them so well that he could lie in his bed at night and tell what rider was crossing the bridge below his father's house by listening to the impact of the horses' feet on the boards. Country doctors had the best and fastest walkers, using them to make their calls.

Murray's father raised walkers and his mother, Mary Ann Carothers Murray, was a renowned rider. She and a brother, John E. Carothers, are noted in Tennessee horse show annals for the fine animals they showed more than 75 years ago. Her best mount was a famous yellow walker, Henry Copperbottom.

Murray started his business life breeding Jersey cattle, but the love of walking horses soon overcame him and now for years he has devoted most of his time to them. He launched the present Governor McCord in business as a cattle auctioneer and then switched him over to walker auctions. Before taking over the executive chair on January 1, 1945, McCord was on auctioning assignments whenever his congressional duties permitted.

Farmers raise best walkers

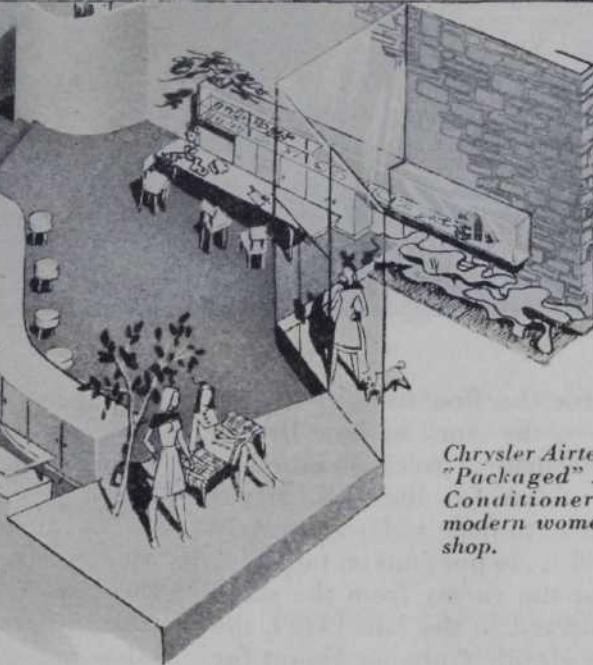
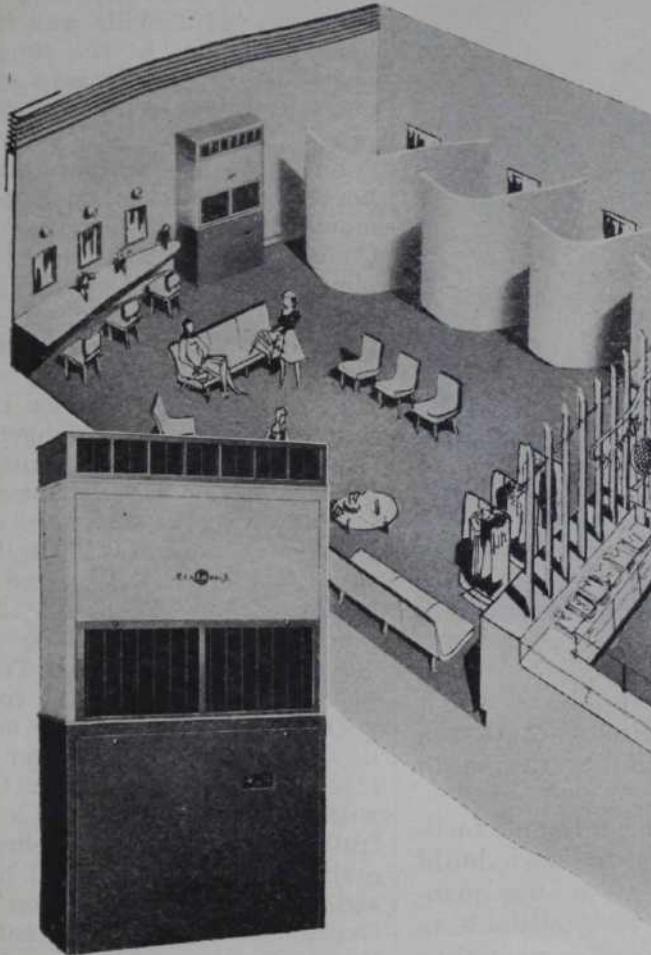
MURRAY insists that dirt farmers, rather than rich stable owners, raise the best walkers. It is amazing to see some of the ramshackle out-buildings in which walkers worth almost fabulous amounts are housed. Quarters consisting of tumble-down barns, cowsheds and log houses are the rule rather than the exception. Almost every farmer in the ten counties raises from one to six walkers annually as a cash crop just as his wife raises chickens.

Most walkers are picked up by dealers at two years and trained for a year before being sold. A majority of the fine walker brood mares are handed down from father to son. Lat-



Take a letter: "Dear Salesmen . . ."

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Put Air Conditioning on Your "Must" List for 1946

Air conditioning today is a "must" for retail stores. It steps up store traffic—increases sales—protects merchandise from dust, dirt, heat, humidity and perspiration marks—makes employees more efficient. If you cater to the public—by all means put air conditioning on your "must" list for 1946.

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type of business establishment. They're so easy to install, singly or in multiple. They occupy little floor space and can be placed almost anywhere—and moved as easily as a showcase. Famous for low upkeep and operating cost, "Packaged" Air Conditioners with the sealed radial compressors are dependable, quiet, trouble-free and completely automatic. Here's the modern, easy way to air condition your place of business. • Airtemp Division of Chrysler Corporation, Dayton 1, Ohio.

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Pioneered in the late 1930's, the Breeze Mobile Antenna Mount for anti-aircraft radar was in the war from before the start to the finish. It was a Breeze-Mounted radar set that detected the Japanese attack on Pearl Harbor on December 7, 1941. Rushed to England in the worst days of the war, Breeze-Mounted radar first helped to keep Hitler out of London; later reduced buzz-bomb effectiveness by 75 per cent.

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BREEZE PRODUCTS AND SERVICES: Radio Ignition Shielding for Radio Noise Suppression • Flexible Shielding Conduit and Fittings • Multiple Electrical Connectors • Aircraft Tab Control Systems • Flexible Shaft and Case Assemblies • Cartridge Engine Starters (Mfg. under Coffman patents) • Flexible Metal Tubing • Heat Treating • Metals Fabrication • Armor Plate • Bookstacks.

terly, a profitable line of small walkers, classed as ponies, is being developed. They are quite scarce and bring good money. Some have sold for several thousand dollars.

It was on a dirt farm stable near Lewisburg that Champion, the cow-horse made famous by Gene Autry in the movies, was foaled. Autry went to Tennessee and rode many walkers before finding one that suited him. He finally selected Stonewall Allen 36159, then owned by Granger Williams of Nashville, and re-named him Champion. At the time of the purchase, Champion was simply a quiet, well-trained three-gaited walker.

Later Autry's trainer taught the horse many tricks which delighted movie audiences. The trainer told me Champion was easily taught. Champion is described by those who knew him in his Tennessee days as a perfectly safe horse for any singing cowboy to ride. In fact, many say any child or woman could also ride him without the slightest danger. He is a chestnut with four white stockings, and a fine flaxen mane and tail.

Illustrating the safety and common sense of walkers, breeders tell a story about the late F. A. Overton, an importer of New York. At 72 years, reading about walkers being "safe for old and young," he went to Tennessee to try them out. There he rode two-year-old stallions with such ease that he bought two walkers. Later, in New Hampshire, while riding in the hills with a friend who did not know the trails, Overton had a cerebral hemorrhage. While the friend held the stricken man on the walker's back, Overton's walking horse safely led the riders home.

Good for carrying weight

NOT all walkers are perfect, of course, but poor ones usually result from improper or inadequate training. Paul Whiteman, who now owns several walkers, got off on them to a bad start. His first horse was not satisfactory, so the members of the Tennessee walking horse fraternity, who are very jealous of the good name of the breed, saw that he obtained a good one. Now Whiteman, who is no featherweight even after his rigid diet, is regarded as a splendid advertisement for the weight-carrying ability of the walkers.

Although any walking horse owner, when pressed slightly, will admit that his favorite mount is just about tops, informed ones invariably will yield highest show honors to Merry Legs F-4. Bred by the late A. M. De-

WANTED ...

more miracles!



A product-starved public is in urgent need of another "miracle of production." American Industry's answer to war was just that and it can do it again—for peace.

Texaco's answer was a miracle of production too—supplying quality lubricants for war plants everywhere. Now it is ready and more able than ever to speed peacetime production in all your plants . . .

One Purchase Agreement will serve for all your plants, *wherever located* . . .

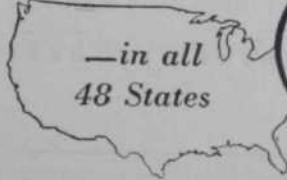
Insuring you the benefits of uniformity of products and, consequently, uniformity of performance . . .

Plus a convenient source of supply for lubricants and fuels from *more than 2300 Texaco supply points* . . .

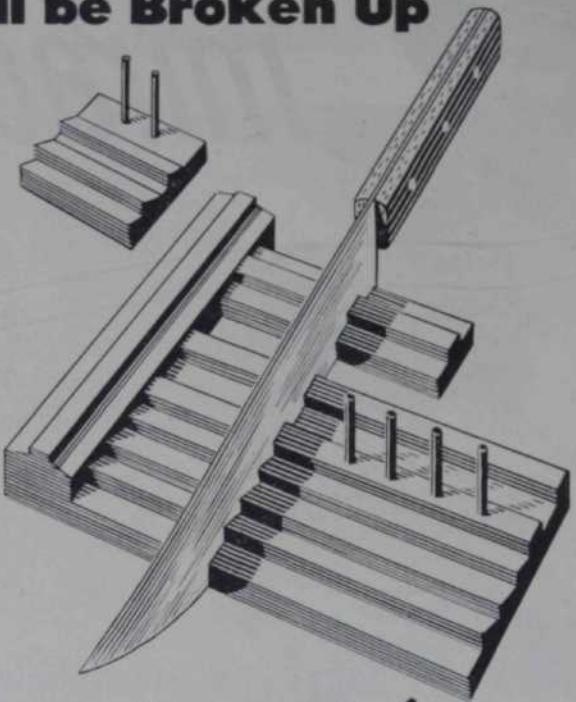
Plus the services of skilled *Texaco Lubrication Engineers*—to cooperate in increasing output, reducing costs.

Phone the nearest wholesale supply point or write to The Texas Company, National Sales Division, 135 East 42nd Street, New York 17, N. Y.

The Texas Company



INDUSTRY will be Broken Up



...and Like it!

Far from being "broken up," business men are enthusiastic about decentralization. It's the natural move away from jam-packed industrial centers, to smaller plants and comfortable homes, planned for good working and living, lower costs, better employee relations.

South Carolina, "where the livin' is easy," opens its doors and its heart to new industry. This state, where resources and markets meet, has power and tax rates attractive to industry, also rich minerals, vast timberlands, thriving farms, excellent shipping facilities by water, rail and highway.

Workers are native-born, intelligent and dependable. They share, with business leaders and state officials, a cooperative attitude toward new business. Your plant will be welcome in South Carolina! For exact answers to your questions, and a thorough study of your problems without obligation, write State Research, Planning & Development Board, Department J, Columbia, South Carolina.

South Carolina

WHERE RESOURCES AND MARKETS MEET

ment, of Shelbyville, for years she swept the boards of first prizes at almost every show in which she appeared and she showed in hundreds of them. Dement had one stunt with which he climaxed every appearance and usually sewed up first money. After putting the mare through all of her routine performances, he would fill an ordinary water glass to within a quarter of an inch of the top and, with the glass setting on the upturned palm of his right hand, send his mount around the show ring at top speed. Not once in all of their appearances did Dement spill a drop of water, it is declared. Since smoothness of gait counts much in judging walkers, this feat, which Dement and his mare alone could perform, set them apart from all other contestants.

As a brood mare, Merry Legs also proved tops. Included in her get were the renowned stallions, Merry King 361,021, Merry Boy 350,189, Major Allen 350,029, Bud Allen 360,049, and Last Chance 350,034, and the mare, Merry Legs II. Merry Boy today is regarded by many as the greatest living producer of show horses.

Seven-gaited horse

ROAN ALLEN, a son of Allan F-1, is another walker often mentioned in the same breath with Merry Legs. He is declared to have been able to do seven distinct gaits in comparison with from three to five for the average saddler. Further, he had an overstride at the running walk of between 35 and 40 inches. Eighteen inches is considered good. It was not unusual for him to win not only all saddle but also the harness classes in shows. He died in 1930.

The most valuable walking horse in the world today is Midnight Sun, grand champion. He is a five year old black stallion owned by the Harlinsdale Farm of Franklin, Tenn. An offer of \$25,000 for him recently was refused.

Maybe not the best, but certainly one of the most unusually marked and attractive walking stallions in the world, is Byrom's Allen, owned by Murray. He is a blue roan with white stockings and a white blaze and muzzle. Nowhere else, perhaps, is there another horse with such a perfect blue coat. It is not a mousy blue, such as many western horses used to boast, but rather it is the rich blue of a bluejay's darker feathers. Additionally, this horse has marvelous conformation and life. He has won many prizes and is a noted sire.

Just as thoroughbreds are the chief

Why Shouldn't America Have Through Sleeping Car Service from Coast to Coast?

Chesapeake & Ohio and the Nickel Plate stand ready to join with other railroads to start this service without delay!

OUR American railroad system, for all its fine accomplishments, is woefully inadequate in one important respect.

The traveler cannot go from one of our coasts to the other by through sleeping car service. He must break his trip—at Chicago, St. Louis, Memphis, or New Orleans.

Even if he rides the crack trains, he must still change at these points—*often with a wait of several hours in between*.

He must put up with the inconvenience of packing and transferring his baggage, often going from one station to another, waiting around for connections, boarding another train.

He has at least two sleeping car reservations to worry about—when one should suffice.

He is put to far too much trouble—and far too much waste of time.

Invisible Line Divides America

Why should travelers have to put up with this? Why should there be a dividing line beyond

which you cannot pass without changing trains?

Isn't it high time the travelers of this country enjoyed the benefits of through sleeping car service all the way from coast to coast?

And why shouldn't they get it? Is it because of the physical problem that would be involved in transferring sleeping cars from one road to another? Is it because schedules would have to be readjusted to maintain convenient departure and arrival times?

Surely, such problems *can* be worked out—and *should* be worked out—in the interest of the traveling public.

Who Will Take Action?

The Chesapeake & Ohio and the Nickel Plate Road are not the only railroads that, in conjunction with others, could provide this service. But no railroad has yet provided it. And we of the Chesapeake & Ohio and the Nickel Plate are willing to make a start.

In fact, we are so convinced that action should be taken, and

taken without more delay, that we go on record as follows:

A Concrete Proposal

Chesapeake & Ohio, whose western passenger terminus is Cincinnati, stands ready now to join with any combination of other railroads to set up through sleeping car service from coast to coast on practical schedules and routes.

The Nickel Plate Road, which runs to Chicago and St. Louis, also stands ready now to join with any combination of roads to set up the same kind of through transcontinental sleeping car service.

Through sleeping car service is bound to come. Because it is so much in the public's interest, it is also in the interest of all railroad people and all railroad investors. We invite their support—and the support of all who travel—for this badly needed improvement in rail transportation.

**Chesapeake & Ohio Railway
Nickel Plate Road**
Terminal Tower, Cleveland 1, Ohio

Higher Speed

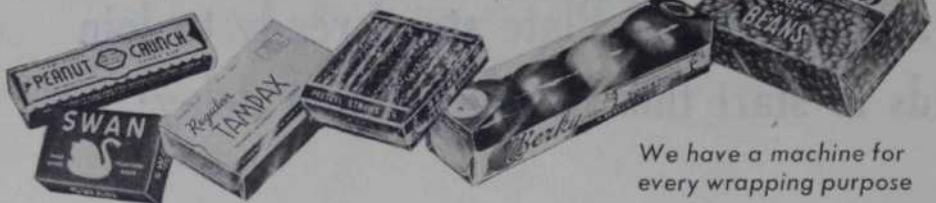
The way to new savings
in packaging

Some wrapping machines which we are now supplying have twice the speed of the machines they replace. The razor-blade wrapping machine illustrated is an example. It wraps 150 blades per minute in both inner and outer wrapper. Think what a saving this means!

Your product or type of package may not permit such an increase in wrapping speed. But even a 25% or 50% increase means important savings.

Have we a machine for your needs? The best answer to this question is the fact that our machines wrap the vast majority of the country's machine-wrapped products.

Write today for our booklet "Sales Winning Packages"



We have a machine for
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PACKAGE MACHINERY COMPANY • Springfield 7, Massachusetts
NEW YORK CHICAGO CLEVELAND LOS ANGELES TORONTO

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Over a Quarter Billion Packages per day are wrapped on our Machines



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Morflex all-purpose couplings range in capacity from 8 to 725 foot-pounds torque. They reduce bearing wear, permit slight angular misalignment, ease thrust and torsional

loads, isolate shock and vibratory impulses. Morflex couplings need no lubrication, are sealed against dust, dirt, weather. Call the Morse engineer!

SPROCKETS

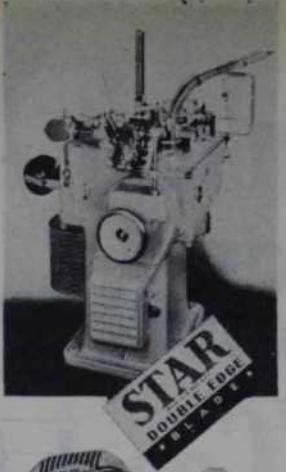
CHAINS

FLEXIBLE COUPLINGS

CLUTCHES

MORSE *Roller and Silent* CHAINS

MORSE CHAIN COMPANY • ITHACA, N.Y. • DETROIT 8, MICH. • A BORG-WARNER INDUSTRY



topic of conversation in Louisville, Ky., hunters in Warrenton, Va., and harness horses in Goshen, N. Y., so are walkers the talk of Lewisburg. One Saturday afternoon during the foaling season, I mingled with a crowd of farmers and their families in the court house square for several hours and heard only walker talk. Hay and grains and many other products are raised on a large scale on surrounding farms, but one would never know it from listening to the Lewisburgers. It's the walkers that are next to their hearts and on their tongues.

Auctions well attended

A RECENT Lewisburg auction brought buyers from 19 states and in two days produced \$150,285 in sales. Top price received was for a mare, Jennie Girl, which was sold at \$2,600. One man, Edward W. Defresne, of Luling, La., alone bought 16 walkers for a total of \$14,000. More than 30 horses which had been catalogued were not offered for sale because Murray and two veterinarians found them ill or defective and so told the bidders. Murray and several other agents were unable to obtain 40 horses with which to fill "sight unseen" orders from absent bidders. Twenty-five hundred persons, including Governor McCord, attended.

Middle Tennessee friends of former Secretary Stimson bought his horse out of the sale and presented it to him. The animal was first sent to Washington where it was ridden both by the Secretary and a 12-year-old girl. The Secretary, then 78 years old and still an enthusiastic rider, wrote his Tennessee friends that of the many horses he had owned, his walker was the best.

The National Walker Show is held annually at Shelbyville, Tenn., population 5,000, every fall. This really is big, with riding horse enthusiasts attending it from all over the United States. One feature which had attracted much attention in the past was missing this year. Previously, Mrs. Lowe Ryall, 85 years old, had led the grand parade and participated in the long trail rides. After having ridden walking horses for more than 75 years, she died recently.

As a business man, I would advise that if you do not want to own a walker, stay away from Lewisburg. I owned a Morgan and a thoroughbred when I went there and certainly had no urgent need for another saddle horse. But the bug bit me and now I have four saddlers, including two new walkers. Howdy, Autry!

**"Business worries aren't my only concern . . .
I have the public to think about, too!"**



1 "I can't personally usher every one who visits us in and out of our elevators. Yet if someone is injured, the firm can be sued!"



2 "What if one of our hand trucks bumps a bystander? I can't possibly check up on the alertness of every employee—but my company could be responsible!"



3 "There's always some user who won't follow directions on our product. This could lead to lawsuits which would cost us money, whether the claim is just or not."

You, as the head of a business, can't possibly prevent losses from damage suits—but your insurance can! The above possible mishaps, and many others, can now be covered by one broad insurance policy—Indemnity Insurance Company of North America's

Insurance Company of North America, founded 1792, oldest American stock fire and marine insurance company, heads the North America Companies which meet the public demand for practically all types of Fire, Marine, Automobile, Casualty and Accident insurance. Sold only through your own Agent or Broker. North America Agents are listed in local Classified Telephone Directories.

Blanket Liability Policy for manufacturers.

Ask your own Agent or Broker about it. He will show you how this all-in-one-package policy completely protects your liability to the public at the lowest possible cost.



**INSURANCE COMPANY OF
NORTH AMERICA
COMPANIES, Philadelphia**

Forecast of Retail Trade for '46

(Continued from page 33)

While retailers envision the sharpest gains in consumer durable goods, soft goods prospects are equally favorable. The impact of returning durables on retail sales may be visualized when one recalls that hard goods contributed about 15 per cent of 1945 retail volume.

Consumer durable goods reached their peak—\$15,600,000,000—in '41. Since then, consumer disposable income has risen steeply, and wartime savings have created a tremendous backlog of purchasing power.

The nation's needs have grown. Population has increased approximately 7,000,000; more than 5,000,000 wartime marriages have increased the market for home furnishings and appliances.

Further price rises are regarded as almost inevitable although they are not expected to be as precipitate as they were during the 1919-20 inflation after World War I.

OPA, reconciled apparently to the inevitable, has lifted price curbs on a growing number of articles and granted relief from ceiling squeezes in others. It has learned the hard way that demand cannot be satisfied with ceiling prices on non-existent goods.

If commodity price increases are moderate in '46, retail prices should average increases of less than 15 per cent. As production goes into high gear, price advances may be cut to ten to 12 per cent.

As long as accumulated demand continues, price structures will remain firm. As demand is satisfied, some recession is likely. It is extremely doubtful, however, whether prices will recede before 1947.

Production appears to hold the key to the immediate future.

At a time when automobile production still was a moot point, the industry's goal for 1946 was set at 6,000,000 units as compared to a prewar peak of about 4,300,000 units.

But, says a leader in the industry, "Whether our production in 1946 will be as great as in 1941 will depend upon the availability of raw materials and the peaceful solution of labor troubles."

Confident, however, of an early settlement of wage disputes, established companies in the industry have been adding new plants while newcomers have been readying new plants or reconverting war factories.

Automobile production is vital to the nation's economy. The auto makers are the best customers of many heavy industries. Retail sales of new cars normally account for a heavy proportion of total retail sales.

Six million new cars on the road will mean better business for oil refiners, filling stations, tire makers, roadside shops and dining places, suburban stores, resorts—and practically everybody those enterprises, and many others, patronize.

This is an appropriate place to examine the tire situation. In the first nine months of 1945, passenger car tire production totaled 17,146,155, an increase of 37 per cent over the like period of '44. In the fourth quarter, 11,000,000 were made.

Passenger car and motorcycle tire production in '46, according to current estimates, will reach 66,000,000. Simple arithmetic indicates that tire sales in '46 will be more than double those of the past year.

Washers in large quantity

WHAT about some other durable consumer goods that are counted upon to expand retail sales volume to new records in 1946?

One of the country's leading makers of automatic washers has announced a production schedule calling for the delivery of 600,000 units in 12 months. (Two months ago, con-

sumer orders on his dealers' books accounted for more than 575,000 units.)

In the five years preceding Pearl Harbor, this manufacturer produced and sold fewer than 350,000 units.

Manufacturers of home radio receivers feel they are being ultra conservative when they estimate production during '46 at more than twice that of the last peacetime year.

A leading producer alone plans to turn out more than 4,000,000 sets in the coming year and this company, like many another, is also expanding its line with electric refrigerators, freezers and air conditioners.

Within six months, large-scale production of television sets is scheduled. A market for 300,000 to 400,000 sets at an average price of \$300 has been forecast.

More producers of radios

INCIDENTALLY, it is reported that there will be more than 100 producers in the radio industry as compared to about half that many before the war.

When the brunt of demand has been met, intensive competition will follow, and merchandising problems will arise for manufacturer and dealer alike. But today, few care to look that far ahead. The 1946 horizon is too pleasing.

The refrigerator story is quite similar. Production facilities are expanded and additional producers are straining to reach the market first with the greatest quantities. Automatic electric dishwashers are coming off the production lines of a nationally famous appliance maker at the rate of 100 a day.

Unfortunately, these and kindred products are reaching stores in a trickle, partly because hundreds of factories were forced to remain virtually idle while OPA deferred judgment as to what they could charge for their products. In the radio field, for instance, makers of essential component parts halted operations, preferring shutdowns to profit-and-loss operations. It avails a radio manufacturer nothing if he produces a set but can't get the tubes or speakers.

By mid-1946, it is expected, women's nylon hosiery will be back in generous quantities, and hosiery sales will rise well beyond any pre-war figures on record. Two-way stretch girdles were returning to counters late in November. The release of calf leather to handbag makers resulted in better values and improved business. The lifting of rationing made available to a waiting





It's a masterpiece, too... and Job-Rated

THE driver who steps from that trim, good-looking truck has reason for satisfaction. He's driving the sweetest-running, smoothest-riding truck he ever stepped into . . . a *masterpiece*.

He's driving a truck that Dodge truck engineers took pride in designing . . . and that Dodge truck craftsmen took pride in building.

There's no substitute for years of truck-building experience. So it's difficult to improve on the precise workmanship and quality that have always been major reasons for the economy, dependability and long life of Dodge trucks.

But over and above quality materials and precision workmanship, your Dodge truck will be *Job-Rated* . . . engineered and built to fit your job! You get greater economy when your truck engine is rated for your loads. You get greater efficiency and longer life when *every* unit, from engine to rear axle, is *Job-Rated*.

So when you buy new trucks, standardize on Dodge *Job-Rated* trucks . . . trucks whose modern design and attractive appearance will reflect the character and prestige of your business.

See your Dodge dealer now for trucks that will save money *every day, every mile . . . and for more miles, too!*

DODGE DIVISION OF CHRYSLER CORPORATION

Truck Parts Are Important—Owners tell us they'll long remember the quick wartime availability of Dodge truck parts. Parts when you need them: that's the Dodge way . . . your protection against costly delay.

REMEMBER THURSDAY NIGHT! THE MUSIC OF
ANDRE KOSTELANETZ AND THE MUSICAL WORLD'S MOST
POPULAR STARS . . . THURSDAYS, C.B.S., 9 P.M., E.T.

DODGE *Job Rated* **TRUCKS**
FIT THE JOB . . . LAST LONGER

market the nation's output of more than 40,000,000 pairs of shoes a month.

Much of the sales impact of these liberated and returned articles could not be fully felt until '46. Last fall it was alleged, seemingly with some foundation, that some manufacturers, unwilling to add to their excise profits tax returns, were delaying deliveries.

In some instances, it is probably that ersatz or wartime grades were being worked off before peacetime qualities offered unsurmountable competition. By the end of '45, relatively few manufacturers or stores felt any genuine concern about ersatz goods.

Inventories had been worked to such low levels that it is a rare merchant who at this point doesn't feel an acute need to replenish his basic stocks. It has been years since the average department store could boast of a normal inventory of sheets, towels or men's white shirts, and even if maximum production is maintained, it will be months more before empty racks are filled because demand will absorb deliveries as quickly as they can be brought to selling areas.

Few sales of surpluses

GOVERNMENT surpluses which during 1945 accounted for a negligible portion of retail sales will figure even less importantly in the coming year. Some surplus goods were marketable at retail only because their counterparts made for civilian consumption were unavailable.

Even Uncle Sam has had trouble trying to sell 400,000 pajama tops and 200,000 pajama pants in different colors, or unused but rusty chicken wire. Export markets seem to offer Samuel his best bet.

When returning veterans last fall began to flock to men's clothiers for their civilian outfits, it was estimated that the average returnee was in the market for \$300 of clothing and furnishings, but the retailer could only accommodate \$125 of the business.

The prospects in '46 are no brighter. It is estimated that more than 24,000,000 units of men's clothing could be sold in the coming year if they could be provided. Hampered by a lack of labor, a shortage of manufacturing facilities, and serious scarcity of rayon linings, the men's clothing industry hopes to produce 11,000,000 units. During the fall, lack of linings actually forced some clothing plants to suspend operations.

The bottleneck of linings points up another hurdle in '46 that must be

cleared if full scale distribution is to be attained. The reason for the scarcity of linings was the price ceiling that discouraged their manufacture.

A good deal of the rayon yarn that ordinarily goes into linings has been finding its way into tire cord, because the ceiling on the latter yields the manufacturer a better return.

Low-priced goods scarce

IF constrictive price control continues during the first half of '46, production will be curtailed. In the affected industries, employment may lag and lower-price goods will continue to be rarities on the market.

However, department stores, habitually optimistic, are looking forward to a record-breaking year, confident that they will benefit directly from a return to a normal ratio of sales to consumer earnings.

Lack of merchandise throughout the wartime period upset a hitherto constant ratio. Now the pendulum is swinging back. Its swing will be marked by a drop in rate of turnover in '46 as means are found to get out from under inadequate stocks.

Manufacturers of staples estimate that, if department stores bought only enough goods to bring their inventories up to normal, production would be "sold up" for several months to come.

Before the war, home furnishings sales of department stores accounted for 25 to 30 per cent of total store volume. In the year ahead, unless supply fails, home furnishings sales might contribute up to 35 per cent of total volume.

Since soft goods sales will expand, too, with increasing supply, and up to the latter part of last year home furnishings sales were minimized by a dearth of goods, it is easy to understand why department store merchants anticipate unprecedented volume.

Credit furniture stores, of course, plan to share fully in the coming boom. During the war, these stores practically sold themselves "out of business." Furniture could not be replaced, and stocks dwindled.

Many credit furniture stores diversified their merchandise lines, but not always with complete success. Contrary to early fears, Regulation W did not restrict their trading to any appreciable extent. Cash was plentiful, and demand was insistent.

While Regulation W probably will not be modified materially in 1946, few credit merchants feel it will serve as a serious business retardant.

For one thing the U. S. consumer

has cash and, for another, the banks are entering the consumer financing field with practically unlimited resources. Few if any retail sales will be lost in the coming year because payment terms are too stringent or cash is short.

Chain store organizations have been quick to note that the war radically changed the distribution of consumer units in the lowest and highest income ranges.

Notable increases in the middle income brackets increased demand for better grades of merchandise. Chains, and others, now feel certain that peacetime distribution of incomes will make for a broader market than ever for higher-priced and better quality goods.

To meet this change in trend, chains are enlarging units rather than increasing their number. They are planning to introduce better and more diversified merchandise lines in '46.

Not only are chains determined to retain wartime gains in their average sales checks, but they are hoping to augment and consolidate these gains.

When lower-priced goods return, the chains intend, of course, to stock them fully, but they will not relinquish any markets they have developed for step-up price ranges. They are hopeful, too, that the economies of their operations will prove as advantageous competitively in higher-priced goods as they have been in lower.

Participation by the chains in price ranges foreign to them before the war naturally will tend to sharpen competition. What 1946, and succeeding years hold in store, may be indicated by a recent occurrence.

The first Fifth Avenue store to put women's nylon hosiery on sale to the public was not a nationally famous specialty or department store—it was Woolworth's. Needless to say, no price inducements were offered.

Food prices may go higher

HIGHER wartime consumer incomes brought better balanced and more varied meals to millions of tables. Rationing imposed limits on consumers' food purchases, but higher average prices paid for the food consumed kept food sales high.

Processors, packers, distributors and dealers in food enter 1946 unhindered by food rationing, and unsaddled by the costs of its handling and bookkeeping. On the other hand, if and when government subsidies stop, higher prices will ensue on more than half of the edibles on the na-



Grandma knew the secret of BAKING with COLD

Today's great biscuit bakers *also* know the secret of preparing dough . . . But they have a big advantage over Grandma.

This advantage is carefully controlled *mechanical* refrigeration.

The tender flakiness and tempting flavor of Nabisco's famous biscuits are developed in special "dough rooms" air conditioned by York. Here the dough "ferments" in a perfectly maintained atmosphere for 23 hours. Mainly by this process, Nabisco insures uniform quality, rain or shine, summer and winter.

But biscuits can be little better than their ingredients so York refrigeration, scientifically applied, also stands

guard over them. Pure cold water for mixing is provided; and eggs, spices and special ingredients are held under exacting conditions. Hardening chocolate coatings, preserving wax paper and cellophane wrappers require equally precise treatment. These and many another improvement in the art of biscuit baking are all found in National Biscuit Company's huge modern bakery in Atlanta, Georgia.

In every field of food processing . . . cold storage . . . and food transportation you'll find York equipment performing vital tasks . . . tasks that have helped maintain national health and vigor.

York Corporation, York, Pennsylvania.

YORK Refrigeration and Air Conditioning

HEADQUARTERS FOR MECHANICAL COOLING SINCE 1885



tional food bill. Should subsidies end by next summer, meat prices are expected to rise 15 to 20 per cent, canned vegetables ten to 16 per cent, bread 11 per cent, and butter 40 per cent.

This series of price rises would bring the consumer's cost of food to the highest point it has reached since 1920. And the mention of that year evokes memories of nationwide parades and protests against the H. C. L. Should similar protests break out by next June, it may be safely assumed that wage adjustments will be quick in forthcoming.

For those reasons, the cost of food is a subject of compelling interest to every manufacturer and retailer. The worker cannot have his bread and eat it contentedly if he can't afford to buy it, or buy enough of it.

Food choices may change

RISING food prices indubitably would alter eating habits formed during the wartime period. High meat prices would revive an appetite for eggs, fish and poultry. If canned goods became relatively costly, a shift to fresh produce would be logical.

This passing notice of possible eventualities in food sales brings to the fore a factor in 1946 retail sales that concerns everyone seeking to participate in the overall market.

That factor is the competition for the consumer's dollar. During the war, soft goods producers and retailers had the consumer's dollar pretty much to themselves.

They were not competing with automobiles, refrigerators, radios, television sets, electric appliances, home goods, travel facilities or any of the myriad other attractions that might lure an indecisive dollar.

By next June, for example, ample travel accommodations are anticipated, and travel experts predict a \$10,000,000,000 travel year with some 2,000,000 persons earning their livings in that industry alone.

On June 1, the National Association of Travel Officials will launch a campaign to make a wartime, home-bound public travel conscious with the slogan: "It's victory vacation year, you've earned it, enjoy it."

The \$10,000,000,000 figure may be a trifle excessive but it is apparent that any number of billions subtracted from consumer disposable income means just that much less for the goods that retailers of all kinds and types aspire to sell.

Competition for the consumer's dollar will not be the only obstacle

to the realization of retailers' fond dreams. Today, in hundreds of cities and towns store leases are harder to find than rubies, and often command just as high prices.

In some cities, premiums that would compare closely with the store rentals themselves in the prewar years are being paid for leases.

In short, 1946's expected boom for retailing has not been a closely guarded secret. Everyone, it seems, has heard about it, and wishes to stake out a claim.

Shacks and sheds and shanties are being transformed into streamlined stores. Shops closed down for the duration are being reopened, shining with a new glitter, and resplendent with high hopes.

For every store that in 1944-45 was open to receive the consumer's itching dollar, there may be two before the end of '46. Once again, it isn't necessary to take out a slide rule to calculate that even a greater retail volume cannot be divided into half, and still result in a substantial gain for the retailer who is unable to cope with this new and ubiquitous competition.

True, only the fittest will survive, but even the inept may survive '46 and come up full of hope and gladness for '47. Deadly competition won't set in until an economy of plenty succeeds an economy of scarcity, but who can say when that will occur?

The extent to which new home building will absorb consumer savings and income still is problematical. Building costs have risen so sharply, that many home seekers still find it preferable to pay excessive prices for prewar-built homes.

Assuming adequate dealer inven-

COMPLAINT DEPARTMENT



tories and manpower, property improvements totaling \$3,000,000,000 will be made in the coming year, according to an FHA official.

Yet, over the past 11 years of FHA operations, property owners made necessary improvements to their properties totaling only \$2,000,000,000 through the facilities of FHA loans. Whatever may be spent in 1946 on building or improving homes must be subtracted from the gross amount of savings and income for which manufacturers and retailers alike must compete in '46.

Has distribution by and large set too much store on the studies depicting huge consumer savings and a great backlog of consumer demand? Is some measure of disillusionment due in the coming year?

Hard selling is necessary

AUTHORITIES in distribution agree that overconfidence regarding potential markets is merely dangerous, wishful thinking. They are unanimous that dynamic, informative advertising and aggressive selling will be required to keep industry running at the high production schedule necessary in '46, and the years beyond, to support the high level of employment upon which a continuance of the nation's high standard of living depends.

"Nothing happens in the chain linking production with consumption until somebody sells some one something," it is emphasized.

To the manufacturer this means that, in 1946, he will not realize fully his potential market unless he sells the consumer his product.

To the retailer this means that '46 will not be as bountiful as he dreams it will be unless he entices the consumer to patronize his particular store. Peacetime has ushered in a familiar, never-ending battle. It is the age old struggle of merchants to surpass one another in enterprise and efficiency.

That battle will be renewed in the months ahead with higher stakes than ever before. With labor willing, and Government cooperating in restoring free trade and open competition, management, alert to its opportunities, may be expected to make the most of them.

To American business the opportunities of 1946 are represented by the fullest measure of prosperity this country has known in peace, living standards high enough to absorb the full output of an unequalled productive capacity, and security of employment for all who desire it.

Aside Lines



By CHARLES W. LAWRENCE

IF THE OPA refuses to raise the ceilings it won't be because business men haven't done a good job of raising the roof.

★ ★ ★

THE BRITISH, it is reported, will not be sending us much wool until next fall. Meanwhile, a number of our Congressmen are determined that she won't pull any at all over our eyes.

★ ★ ★

OUT IN California plans are under way to manufacture a small automobile to be known as the Bobbi Kar. It will go 50 to 60 miles on a gallon of gas and presumably be guaranteed not to go to pieces unless it catches sight of Frank Sinatra.

★ ★ ★

A FASHION PLATE is not always a pretty dish.

★ ★ ★

A LARGE REFINERY announces that it will ship no more sugar in barrels. The latter are scarce and the available supply is being used by the government to keep business men over.

★ ★ ★

BEFORE YOU TELL your wife that story about where you spent the evening, be sure your scalp can pass the finger nail test.

★ ★ ★

THE consumption of eggs is due to slump in 1946, and to keep the price up the farmers will probably cut production. Our radio comedians, however, will go right on laying them.

★ ★ ★

No WHITE sidewall tires are to be manufactured for some months to come. They appeal only to our vanity and it is thought more important for the time being to gratify another portion of our anatomy.

★ ★ ★

THE Department of Agriculture predicts that in the next two years con-

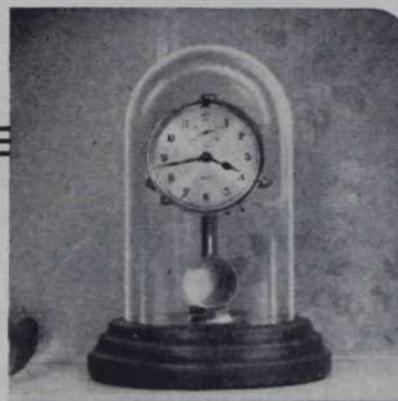
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sumption of snuff will reach new high levels in the United States, thus dispelling the notion that government figures are not to be sneezed at.

★ ★ ★

SOME business philosophers argue that breaking up international combinations would take the world back to the horse and buggy days. We gather that they favor putting the cartel before the horse.

★ ★ ★

DURING the recent holiday season we listened to the radio with only half an ear, but we got the impression that its singers believed Santa Claus was coming to town on the Atchison, Topeka & Santa Fe.

★ ★ ★

THE Civilian Production Administration announces that no Manila rope is expected to be available for civilian use before April. Until then, employers with expiring union contracts will find 14th story windows the easiest way out.

★ ★ ★

THE airlines have discovered that plane passengers now weigh an average of 10 pounds less than they used to. The grapefruit and lettuce growers should do their best to keep this information from reaching our wives.

★ ★ ★

MANAGEMENT is still upset over the release of Henry Wallace's figures on how much industry could afford to raise wages without raising prices. In more than one respect it seemed a very rough estimate.

★ ★ ★

IF THE old gray mare is not dazed,
Who will daze her?
Why, Henry J. Kaiser
And Joseph Frazer.

★ ★ ★

Now that price controls have been lifted from bulk wine it will be interesting to see which gets higher, the cost or the consumer.

★ ★ ★

THE AIRCRAFT people are finding it very difficult to discover a means of traveling faster than sound. Many a husband has experienced the same difficulty.

★ ★ ★

THE OPA has set ceilings on window and door frames. Now it would be nice if we could induce some carpenters to do likewise.

Beware of False Fronts!

(Continued from page 26)

as mothers. They called themselves "We, the Mothers, Mobilize for America, Inc." or "National Blue Star Mothers," or "Mothers and Daughters of Pennsylvania," to mention only a few. But Agnes Waters, one of the most active of these females, thought these names were too mild.

"Let's all of us be known," she suggested, "as 'pistol-packin' mamas.'"

Incidentally, the head of one of the mother rackets is a spinster.

To swing back to the crimson end of the spectrum: It might be asked why business men, of all people, need any warnings against the machinations of Communist false fronts. The answer is that none of us is immune.

Capitalists and communism

THERE was a period—and who knows when it may return?—when our Soviets not only made a special drive to enlist capitalists in their various innocents clubs, but were conspicuously successful in this effort. That was the period when the comrades insisted that "Communism is the Americanism of the Twentieth Century," and parties for "the cause" were held every night on Park Avenue, in the swankiest Hollywood homes and the more exclusive Washington salons.

Recently the party line was switched on orders from Moscow headquarters. The pretense of Americanism has been dropped. But amazingly, the membership lists of their innocents clubs—the Council of American-Soviet Friendship, the American Writers Congress, the International Labor Defense, and a score of others—are still loaded with respectable names drawn from the higher income brackets.

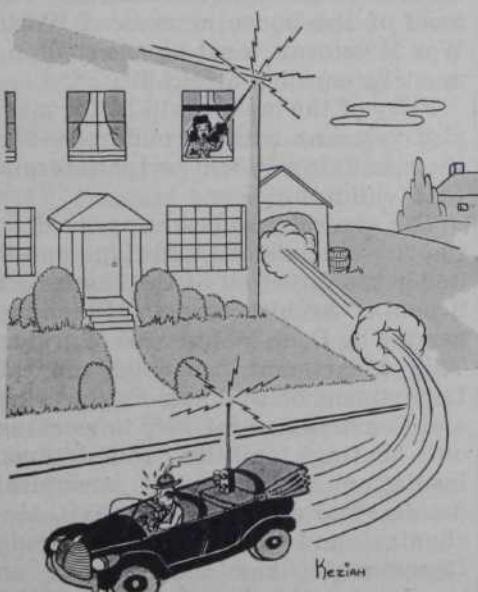
While the so-called united-front period of collaboration with capitalists was under way, it provided a great show. That was the mink-and-ermine period of American Communism. Diamond-studded fellow travelers crowded every play and concert recommended by the *Daily Worker*. Well-to-do women—with nothing to do well—took up Communism in the way that their mothers used to take up table-tapping or theosophy. No manifesto issued by the Communists was complete without the signatures of some bankers, industrialists, professors, and \$5,000-a-week Hollywood proletarians.

The California cinema capital was especially responsive to the Browder slogans. William Bledsoe, who edited the *Screen Guild Magazine* and saw the celluloid revolution at close range, described it in the *American Mercury*:

"I witnessed the revolt of the Hollywood wage slaves. I saw Social Consciousness quicken and come to a boil in actors, writers and directors whose names rival Rins and Camels as household words. I followed the insurrection, mass meeting by mass meeting, cocktail party by cocktail party, until many a Big Name was more or less secretly enrolled in the Communist Party or tagging along in one of the 'front' leagues or committees."

It was at one of these mass meetings that Gypsy Rose Lee appeared as a speaker. "I have not come to lift my skirts," she said, "but to lift the embargo on Spain."

The most successful innocents club on record was an organization which began its life as the League Against War and Fascism, changed the title midway to League for Peace and Democracy, and ended its career as American Peace Mobilization. At its apex, in the middle of 1939, it claimed 1,023 affiliated organizations, with an aggregate membership of 7,500,000. Though the claim was outrageously exaggerated, the truth was sufficiently startling. The affiliates included everything, churches, trade unions, sports clubs, Y.M.C.A.'s,



"Watch that car! Turn left, look where you're going!"

schools, Father Divine and his Harlem angels.

It is a safe guess that not one per cent of the Americans enrolled in the League, directly or through some group to which they belonged, had any suspicion that it was an all-Communist stooge outfit. They found it out as soon as Hitler and Stalin made their infamous pact which touched off war. Since the party line no longer required propaganda against Fascism, the League was liquidated without so much as consulting the 1,023 affiliates. The new party line, in accordance with Moscow's promises to Berlin, called for activities to keep the United States out of war. The personnel and the machinery of the League for Peace and Democracy were therefore transformed into the so-called American Peace Mobilization, the anti-intervention movement of the Left.

Pacifists in innocents club

THE Mobilization, among other things, picketed the White House with banners denouncing the "warmongering" of President Roosevelt. Hundreds of honest pacifist and near-pacifist groups, church organizations, women's and youth societies, flocked to the Mobilization, as did tens of thousands of individual innocents. They would not believe those who warned them that they were being used in a Communist political racket. The proof came on June 22, 1941, the day when Germany invaded Russia. The picket line disappeared from Pennsylvania Avenue, the Mobilization folded up and died. It was a shocking demonstration of control of American innocents and fellow travelers by a foreign country.

The ideological boys, of course, are not the only ones who will fish for suckers in the muddy waters of the postwar period. Shady business, cultural, religious and artistic organizations, too, may be expected to throw out lines, and the bait they use is not too different in kind from what those others put on their hooks.

What the practitioners call the "snob appeal" is by all odds the most tempting morsel dangled before the eyes of the poor fish with money to spare. Impressive lists of officers, "sponsors" and members usually do the trick. By merely joining up, sight unseen, the little sucker is made to feel that he is entering a big-time aquarium, where social and industrial whales swim around at lordly ease. What he does not realize is that, nine times out of ten, the big whales



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have been fooled or flattered into giving their "national names" to the spurious cause, and are themselves innocents.

Sensible vigilance is, therefore, the least we owe ourselves before yielding to the appeal to our greed, our innate snobbishness, our do-good urges. In fairness to the genuine causes and the honest organizations, the phonies that flourish in their shadow should be avoided and exposed. But that is a subject in itself. Here I am concerned with the *political* fishermen.

The postwar period, with its frayed nerves, inevitable tensions and teeming problems, provides perfect soil for the growth of totalitarian propaganda and rackets. From the Right and the Left, we shall be offered magical shortcuts for "saving the country" and achieving Utopia. Most of them will involve the sacrifice of some scapegoats—Jews, Catholics, Reds, Capitalists or some other suitable group. Every indication is that we are on the verge of a lush period of false fronts—if you don't look out, some transmission belt will get you!

Unfortunately "looking out" is not easy. The best advice one can offer is

to look before leaping into any new organization, no matter how appealing its verbiage. After all, if it does happen here—if Fascism or some other totalitarian disease does conquer us—it will come in star-spangled raiment, bellowing words like liberty, freedom, democracy and all-out Americanism.

The duty of the sensible citizen is to dig below the surface, to study the records of the people behind the organizations that seek his support. At the Left there are a lot of key names which, in a list of sponsors, justify the suspicion of false-frontism, since they have been on so many Communist-controlled lists. There are equivalent tip-off names at the Right.

In spite of that, there is no rule-of-thumb for recognizing an innocents outfit. Every organization, committee, mass meeting and crusade to which you are invited represents a separate challenge to your vigilant common sense.

Beware of false-fronts! All of them, in the final analysis, aim to destroy the American democratic pattern. In joining them you are in effect, therefore, joining a society for "Extermination of Myself."

M. I. T. Builds Its Own Homes

BECAUSE of the housing shortage in Greater Boston, Massachusetts Institute of Technology is conducting a home-building project of its own. It is erecting 100 small modern homes in a setting of green lawns.

The people who rent these homes must meet certain qualifications. The head of the house must be a World War II veteran, must be married and must be enrolled at M.I.T.

Fifty of the houses will be for married veterans without children—and the remaining 50 will be for veterans with children.

The project has been approved by the city officials of Cambridge and is under the direction of the Institute's School of Architecture and Planning, headed by Dean William W. Wurster. This department has called on the Department of Building Engineering and Construction for help in working out heating facilities, foundations, insulation, lighting and structural details. The advice of the Civil, Mechanical and Sanitary Engineering Departments has been sought on grading and drainage, planning roads, paths, water, sewer, gas and electric installations.

Working together, this "home

talent" seemed to think of everything. The site chosen, for example, is a 10-acre plot next to the athletic field and within easy walking distance of the libraries and college buildings.

The dwellings will be much like small apartments in size but will be arranged as single and twin houses. Each house will have a kitchen unit containing a sink, electric refrigerator and gas range. This unit will be in one corner of the living room and concealed by doors when not in use.

The houses will be insulated, heated by gas, and will have screened-in porches. Because of the shortage of bathtubs, showers will be installed. And the mere men didn't forget to allow ample closet space. They seemed to think of everything.

The houses will be removed in five or six years. Meanwhile, the Institute plans that they shall serve as sort of a "pilot plant" for the study of what may be needed in the way of future permanent housing for married students, research assistants and young instructors. The project is being financed by the Institute's endowment fund and rent will be low.

—BERNARD G. PRIESTLEY

President Truman's Hot Potatoes

(Continued from page 30)

ember those on strike and voting to strike numbered about 1,000,000.

Labor won't return to prewar footing. Weekly earnings rose nearly 100 per cent with overtime, between 1939 and the end of the war (as against federal economists' estimate that living costs went up 33 per cent). Hourly wages (without calculating overtime at time-and-a-half) rose 57 per cent.

The OES announcement on December 15 that manufacturers could base applications for price increases on wage raises up to 33 per cent, it was explained promptly, constituted no departure from the "hold-the-line" stand on prices. As in August it remained, so far as prices were concerned, a "try to get it" proposition.

Congress opposes strikes

CONGRESS reacts sharply when labor seeks its objectives through strikes. Its restrictive proposals usually run to extremes. This, experience has demonstrated, means legislating in anger, measures written largely on Senate and House floors and adoption by coalitions. This is sloppy, sometimes dangerous, law.

Mr. Truman remembered this in his address to the Labor-Management Conference, and directed a reminder to Labor, pointedly. He frankly viewed this conference as a milestone, its outcome possibly determining the leadership of the United States in world affairs. The outcome was a half-loaf or less. The President let go his fact-finding program, and found this potato hotter.

The Administration's program, despite periodic "clarifications," remains vague, beyond the general thesis of higher wages and maintained price controls even after mid-1946 when it is willing that other wartime curbs be liquidated.

Seldom has a lesser known man been tossed into such an overwhelming job as has been Mr. Snyder, the Government's reconversion chief. Congress got its first first-hand view of him as a witness on reconversion problems. Some of his answers to questions so surprised members that they asked whether he was uninformed or wily.

George E. Allen, former District of Columbia Commissioner, assigned by the President to recommend the best means of liquidating the war

control machine, proposes June 30, 1946, as the date for a general folding up, but adds that a few agencies "such as those dealing with prices and other reconversion problems" should be continued and consolidated under Mr. Snyder's OWMR. Business recommends that price controls be included in the liquidation and that the date be advanced to February, a point six months after the war really ended.

It is agreed in business that, under continued price control, the Government remains in charge of "fair business profits" in reconversion.

When the President was seeking to avoid public displays of politics as reconversion was getting under way, Mr. Hannegan, his Postmaster General (and chairman of the Democratic National Committee) started slugging Republicans (and with them many Democrats) in Congress and out, with such blackjacks as:

"We are no longer obliged to coddle reluctant Republicans into going along with America."

Or accusing the opposition of giving "endorsements in principle" but insisting on amendments "that would cancel out the principles they have endorsed," without adding that highly influential and effective Democrats had helped modify certain programs.

Bills are modified

MANY months of Congressional battle over the "Full Employment" bill have jockeyed that program, started by President Roosevelt and pursued by Mr. Truman, into a position where it appears to be more of a campaign issue than a guarantee of "jobs for all."

When, after great struggle, the sloganistically potent "Full Employment" measure got through the Senate, it was in a form apparently satisfactory to both sides—a bad sign. Majority Leader Barkley, viewing the output, observed that the bill "now guarantees every man out of work the right to seek a job, if he can find one; in other words, if it is convenient for the Government to help him, it will do so."

The final draft, now that the House has acted, leaves it to Congress to take further action to provide a single job for any single individual, since the "Full Employment" bill was, after all, a build-up, with results to come.

True, the Congressional action laid

down a policy, one which can, and no doubt will, be interpreted by one side as a mere New Year's resolution and by the other as a congressional commitment for appropriations for any scheme that might come along.

With an estimated \$100,000,000,000 of surplus war property scattered throughout the world and facing disposal, the Administration runs into a problem made more difficult by its dangers than by its immensity. The surplus property scandals that followed World War I provide blueprints for caution. This is another hot potato for 1946. The fighting has already started.

Talking crop reductions

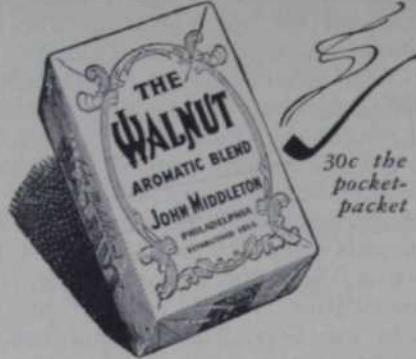
APPOINTMENT of Mr. Anderson to succeed Mr. Wickard in the Department of Agriculture was approved generally, but he soon startled the country, and caused repercussions throughout the world, with talk of curbing agricultural production, such as was done in the plowing-under-the-pigs days of the peacetime Roosevelt Administration, even while the feeding-of-the-world problem remained unsolved and controversial.

Regardless of what of Mr. Truman's Universal Military Training program gets through Congress, its first year of application is certain to cause many repercussions which will play important roles in the 1946 campaign and probably rebound to 1948.

In taking his program to Congress, Mr. Truman knowingly ran into recommendations, previously made by House Majority Leader Joe Martin, that the question be put over pending the seeking of international agreements to the effect that no country would ever resort to "peacetime conscription." The term "peacetime conscription" will not down, despite President Truman's explanation of his plan. It will be "peacetime conscription" to its enemies if it turns out to be anything short of a soft-drink clam bake with college credits given as door prizes. Democrats are in on this opposition, and another coalition is in the making.

Long a quiescent issue, our loan agreements with friendly nations have moved again into the limelight to add to the Truman crop of hot potatoes. Agreement has been reached on a loan of \$3,750,000,000 to Great Britain, and one of \$6,000,000,000 to Russia appears to be in the works. Bernard M. Baruch and others, no enemies of foreign loans, have sounded warnings, in the light of our own financial status and the possible

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dangers in the uses to which such funds may be put.

Bad judgment and planning, Mr. Baruch holds, would mean that we will "sink and the whole world will go down with us." We must watch, he says, that this aid is not used to nationalize the industries of the beneficiaries against us and destroy our own competitive system. Symptoms of just this, he points out, are manifest in England, France, Czechoslovakia and elsewhere. Russia, he adds, has

already "totalized" herself and is doing the same to countries under her influence.

There is the atomic bomb. Though it hastened the end of World War II, this terrifying agent of destruction, with its future war and peacetime potentials, has provided a problem which, it is conceded, will haunt the President continuously, particularly with what probably will come out of the Second Foreign Ministers' Conference now taking place in Moscow.

Lenses Are Made from Plastics

LENSSES, prisms, and other optical elements were made of plastics instead of glass in a wartime manufacturing method, it was recently disclosed by Polaroid Corporation in a joint announcement with the Government.

The new plastic optics were used in telescopes, binocular attachments, an experimental aerial camera lens and a Schmidt type lens system ten times more efficient than a fast f/2 camera lens. The Schmidt system required a lens of a peculiar shape which could not be produced in the required thousands by any other manufacturing methods then available.

An outstanding advantage of the Polaroid mass production technique for plastic optical elements is the complete elimination of lengthy grinding and polishing operations.

The new plastic optics are made by pouring fluid plastics of molasses-like consistency into precisely surfaced glass molds. An oven-baking operation then hardens the plastics which reproduce exactly the surface precision of the molds. When removed from the molds, the plastic elements are ready for use.

Although plastics have been successfully cast by other methods, none of them has been precise enough for the optical systems required by the military services.

Another advantage of Polaroid plastic optics is that, unlike glass optics, the new materials and production techniques are suited for large, non-spherical optical parts, usually employed in optical systems where the amount of light lost in transmission through the systems has to be kept to a minimum.

Polaroid research and development of plastic optics, conducted under a contract awarded by the National Defense Research Council in 1940, supplemented the supply of optical glass, saved time and labor by turning out optical elements which could

be readily machined at the edges without danger of fracture, reduced the cost of optical elements by application of mass-production methods and utilized semi-skilled and unskilled labor.

Just prior to the invasion of North Africa, it was discovered that many antitank gunners were gun-shy from having had their heads and eyes hit by their telescopic sights during the recoil of their guns after firing. Sad experience had taught these gunners to hold their heads far back of their sights, thus seriously reducing their accuracy. A new optical system was required to overcome this difficulty and had to be ready in a few months. The design of such a system and getting it into production is generally regarded as at least a 12-month job.

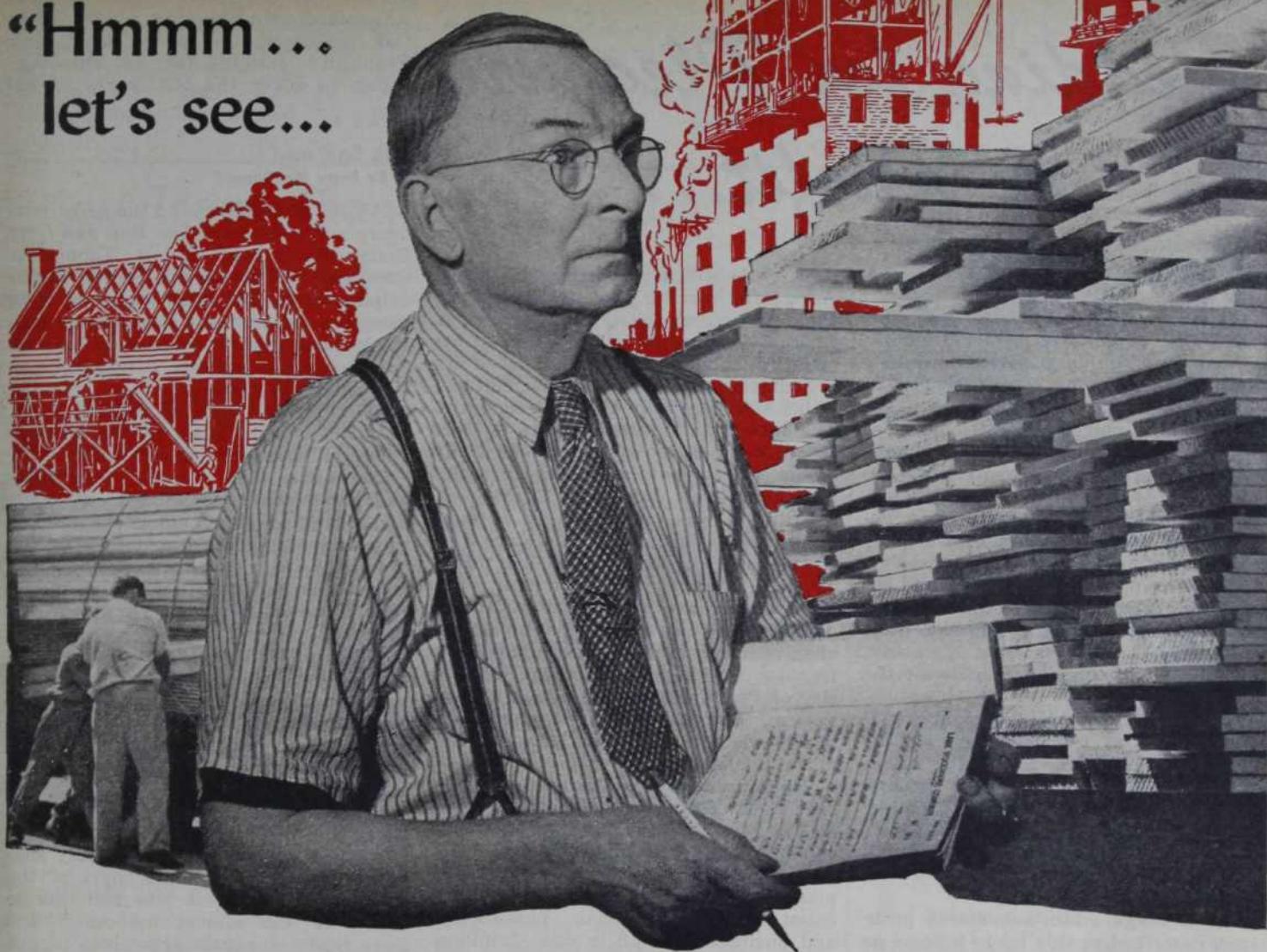
With plastic optics, however, Polaroid Corp. was able to design and put into production in three months a sight which permitted gunners to keep their eyes glued to their targets from a point 6 1/2 inches in back of the eye lens without sacrificing accuracy and in complete safety.

Of 140 organic plastics investigated, two were standardized and put into manufacture. They are polycyclohexylmethacrylate, corresponding optically to crown glass, and polystyrene, used for elements ordinarily made from flint glass.

Lenses, prisms and mirrors made from these materials, although more easily scratched than glass, weigh only about half as much, are easy to produce rapidly and in large quantities. Also they are homogeneous, tough, substantially free of color, haze and strain, and are stable under extremes of temperature.

Civilian uses for Polaroid plastic optics are being examined now by optical engineers who believe the new materials and production techniques may provide low-cost optical systems for home television sets.

“Hmmm...
let's see...



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But even this huge backlog is only part of the purchases the business market can absorb. It buys everything—from lemon peels to locomotives!

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Reading for Pleasure or Profit...

The Newspaper, Its Making and Its Meaning

READERS of *The Newspaper, Its Making and Its Meaning* (Charles Scribner's Sons, 597 5th Avenue, New York 17; \$2) have found that the morning paper takes on new interest. Of particular concern to business men, this book intimately describes their own baby—the press, whose life-blood is advertising. The lectures collected here were delivered by staff members of the *New York Times*, under auspices of the New York Board of Education. Clear and entertaining, their expert testimony gives the newspaper reader a sense of what the news is as well as what it's about, the citizen a fresh appreciation of the free press.

The book leads off with a highly readable account of the newspaper's daily birth: how (with *The Times* for an example) 125 tons of paper rush through 21 presses at 200 feet a minute, to make—with two tons of ink—500,000 copies of 125,000 words, selected from a rough million. Thirty-five hundred people staff this gigantic news machine.

The average editor's business problems, described in this book, become as interesting as your own. Read, particularly, the account by Neil MacNeil, a *Times* night editor, of news selection. The newspaper is like a display window, selling the world's events; MacNeil outlines the rules which guide his decisions on what merchandise to feature, what to put toward the rear.

Another excellent contribution to *The Newspaper* is by James B. Reston, whose Pulitzer-prize scoop in 1944 made public, through *The Times*, the high-and-mighty procedures at Dumbarton Oaks. Sharpening generalities too often blurred, Reston describes the mission of democratic journalism—ever ready to prevent the politician's favorite trick, a secret *fait accompli*. Fascinating, too, is his outline of the political reporter's difficult, delicate daily task.

Although these lectures originally described *The Times* for school teachers, who planned to use the paper in class work, they make informative reading for those who don't expect to teach.

Autobiographical Writings of Benjamin Franklin

By Carl Van Doren

BENJAMIN FRANKLIN was the first American business man to write a book. His life, perhaps the busiest of the 18th

century, is still newsworthy, still keeps Americans turning back to read about their first great fellow citizen, who, if George Washington is the father of his country, should at least be called its grandfather on both sides. New editions of his autobiography appear frequently. The latest and most complete is Carl Van Doren's *Autobiographical Writings of Benjamin Franklin* (Viking Press, 18 East 48th Street, New York 17; \$5).

Franklin was outstandingly a practical man. Businesslike always, he earned his living as a professional printer at 17, established his own firm at 21, and started one of America's first newspapers the year after. His numerous civic ventures left their mark on today's familiar world; he founded the University of Pennsylvania, the public library system, the police and fire departments of Philadelphia, the American Philosophical Society.

While practical men today tend to be specialists, Franklin was competent in all things, from inventing bifocals to declaring American independence. His century expected a leading citizen to master everything. So Franklin, scientist, soldier, politician, philosopher and business man all in one—fulfilling the practical ideals of this time—made himself a list of virtues, practiced and perfected every one. His life was completely satisfactory and completely happy.

His self-told story is restful, entertaining, and, for these doubtful times, inspiring reading.

The *Autobiographical Writings* range in tone from a confession of religious faith to an uproarious dialogue between the author and his gout. American history unfolds in their record of how Franklin opposed English tyranny as the Colonies' representative at London, in the masterful diplomatic correspondence with which he saved the Revolution by persuading the French to help us.

Franklin's prose, some of the best in the world, makes this book pleasantly easy to read; nothing is loose, no word wasted. His talent for making a complex idea spectacularly clear, which you see here in scientific letters, won world acceptance for his radical "one-fluid" theory of electricity, essentially the same as today's.

Carl Van Doren brings a lifetime of research to his magnificent edition of the *Autobiographical Writings*. The author of a best-selling Franklin biography, Van Doren has arranged in the

present volume, along with the well known earlier parts of the famous American's own life story, a host of letters, gathered the world over, and Franklin's outlines for an autobiography to cover the last years of his life.

The Egg and I

By Betty MacDonald

LOVERS of laughter and the great outdoors will rollick over *The Egg and I*, by Betty MacDonald (J. B. Lippincott Company, 227 South 6th Street, Philadelphia 5; \$2.75). This hilarious book describes the author's adventures on a chicken ranch in the wilderness heart of the Olympic Mountains. It will come as a warning to those who long for the simple life, who plan, on retiring at 60, to farm a little place in the country where all will be peace and quiet.

There was little of either when Betty and her husband abandoned city ways and set out to make backwoods chicken ranching pay, come forest fires or the croup. *The Egg and I* gives you a ring-side seat from which to watch, round by round, the MacDonalds vs. Nature in the Raw.

They won the fight, despite everything from attacking bears to an exploding pressure cooker; they found they could clear a profit from 1,500 chickens (all one man can handle) even in that unlikeliest of places. And the story is absorbing.

But best of all, in *The Egg and I*, is Betty's colorful account of Nature as she saw it around her, thoroughly succulent and bawdy. In her part of the damp rich Northwest "the soil was so fertile it was almost indecent," and huge fruits of nature grew even bigger than in California. The fecund landscape rioted with free food: pheasant, venison, trout, foot-long gweduc clams and fist-big mushrooms.

If nature was lusty, Betty MacDonald's primitive farmer neighbors, being a part of it, were no less so. Mothers nursed babies in public at community dances, while drunken Indians made love under model T Fords. The facts of life disturbed no one, neither neighbor wife Kettle, with her motto, "I itch, so I scratch, so what", nor Mary Magregor, perpetually drunk, singing wildly and strapped to the mowing machine to avoid falling off—nor others earthier still.

There is gusto yet in the old West, and with it Betty MacDonald, the uninhibited daughter of a Montana mining prospector, salts her outdoor story. For in *The Egg and I* she has stirred the virtues of *Tobacco Road* and *Flowering Wilderness* by Donald Culross Peattie into a bubbling broth.

Death in the Mind

By G. H. Estabrooks

THE NATION'S BUSINESS mystery of the month: *Death in the Mind* (E. P. Dutton & Company, 300 4th Avenue, New York 10; \$2.50) by G. H. Estabrooks and

Richard Lockridge, author of *Mr. and Mrs. North*. Dapper, daring British intelligence officer John Evans, with his fellow spy, desirable Madeline Sawyer, unravels an unusual Nazi ring. This fast-paced story deals with a fancy kind of hypnosis, its possibility being vouched for by the authors. The fascist

beasts hypnotize an American submarine commander, lead him by post-hypnotic suggestion to torpedo an American destroyer. Mesmerism piles on counter-mesmerism to an intricate, exciting climax. A highly original tale for the man who enjoys a good puzzle.

—BART BARBER

Trees Planted from Air

CENTRIFUGAL planters, airplanes and pelleted seeds may prove to be the answer to the problem of how to re-seed America's burned-over forests, watersheds and range lands. Such is the belief of Dr. Lytle S. Adams, inventor of a method for planting seed pellets from an airplane.

Many attempts have been made at reseeding from the air. Until now, however, with the exception of rice planting, this has not proved practical. Principal difficulties encountered have been inability to distribute the seed evenly to get a full stand, and inability to protect the seed from insects and rodents.

Dr. Adams is convinced he has the problem licked. His method is past the experimental stage, and he has been awarded a contract to re-seed 98,000 acres of land for the Departments of Agriculture and Interior.

In San Diego, Cal., the International Seed Pellet Company has been organized to process seeds for planting by plane, utilizing the centrifugal planter.

With a large plane, it is estimated

that as many as 14,000 acres can be planted in an hour.

With a small plane carrying a nominal load, it is possible to seed 1,000 acres an hour.

The pellets are simple. Each pellet contains an average of four seeds. In processing, clay is ground to a flour-like consistency, then nitrogen, phosphoric acid, potash (to give the seed a quick start) and seeds—together with chemicals to repel insects and rodents—are mixed together. This mass is then fed into a pelleting machine which turns out 1,480,000 pellets an hour. Pellets are quickly dried to prevent premature germination.

Planting at best time

THE centrifugal planter, operating not unlike a machine gun, and multi-barreled, is located in the airplane fuselage and is fed by gravity. A valve determines the number of seed pellets flowing into the planter which has a sowing spread of 500 feet on either side of the plane.

"Outstanding feature of planting by plane," explained W. W. Creighton, president of the International Seed Pellet Company, "is that it can be done at the ideal planting time, either during or immediately after a rain.

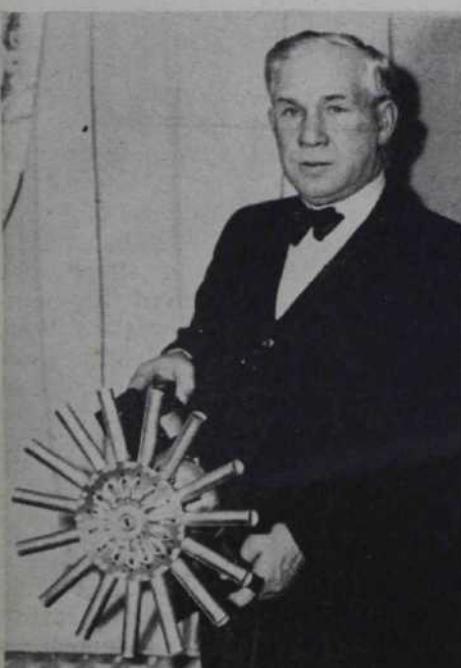
"Horse- or tractor-drawn planters would bog down at such a time.

"Because of the weight of the pellets they will penetrate into the wet soil and the moisture will immediately soften the clay coating and germination will start."

For reforestation, tree seeds are pelleted and have a thin coating of lead permitting them to be buried three or four inches deep. The lead coating is perforated to permit the germinating seed to break through.

Because of the weight of even grass pellets—about 50 times that of the seed they encase—some shipping problems are anticipated. These, however, it is felt, can be overcome by establishing small local processing plants wherever operations require.

—HAROLD J. ASHE



This peculiar device sprays the coated seeds over many acres an hour

Blotters are always Welcome



SAY what we will, advertising is usually uninvited—an intruder—but blotters are really welcome by Johnny Consumer.

THEY are kept—not tossed aside. Day after day they repeat their message so that it is remembered.

BLOTTER advertising truly delivers more mental impressions from each printing impression. Blotters are "helps" that dealers want and use.

SPECIFY ink-thirsty Standard Blottings. A complete line—made in a greater variety of sizes, colors, weights and finishes for letter-press and offset printing.

MEMO.—Write for a free copy of Standard's Dictionary of Blotter Advertising—68 pages of helpful ideas.

STANDARD PAPER MANUFACTURING CO.
Richmond, Va.



Inventions Man Needs Most . . .

(Continued from page 24)

light bulb when he observed a glow which, handled in a certain way, becomes an electric current flowing across space. This was the "Edison Effect," a discovery which lay idle for years and then—tackled by Fleming, de Forest, Langmuir and others—turned out to be the basis of modern electronics—radar and all.

Now that we have the subject in focus, let's see what inventions our scientists say we really need:

1. A type of nuclear reaction which economically gives controllable energy from relatively abundant materials.

In plain words, economical atomic power—recognized everywhere among scientists as our first need, and of an entirely different order from our other needs. The sun does this with hydrogen whereas the only element whose energy we have been able to liberate is uranium. We have to learn to get controllable energy and to get it from a source more abundant than uranium.

Apparently there is not enough uranium. Also it is too expensive, which may be simply another way of saying it is scarce.

It has been estimated that if uranium completely replaced coal at our present rate of consumption there wouldn't be enough to last more than a century. Our search for the desired reaction may take a decade but the fact that it happens on the sun is proof there are such reactions and every scientist recognizes the advantage of knowing something can be done.

"When you know that," one remarked, "you're halfway there."

Dr. C. G. Suits, vice president of General Electric and director of its Research Laboratory, recently said, "We are presented with opportunities for benefiting mankind to a degree hitherto unimaginable. It has been the use of energy in its various forms—mechanical, chemical, hydraulic, thermal and electrical—which has raised mankind from primitive levels to the high standard of living we already enjoy. Now we see before us a new, marvelously concentrated form of energy with which we may climb to heights we can only dimly foresee."

In discussing the thought that controllable, economical atomic energy may be a decade away, Dr. Suits said:

"I'd like to see it take a little time

so we can develop our social consciousness as we develop our knowledge."

2. A process or technique for controlling outdoor weather.

Weather forecasting has been and is of increasingly tremendous importance but at best it is a substitute for controlling weather. The 40,000 weather stations now at work are themselves evidence of the need for controlling weather. It requires no imagination to see the advantages such an invention could bring to agriculture, commerce and mankind in general. An entirely new industry might be born, creating jobs by the millions—possibly not a private industry, but a division of our government, or of the United Nations.

While laymen may laugh this off as "a perennial dream," scientists consider it seriously. When Churchill sent memos around urging that a way be found to disperse fog over airfields one reaction was "You are trying to bring off another King Canute job." Yet it was done—by V-E Day, 16 airfields in the European theater were dispersing fog by burning gasoline—some 7,000 gallons a minute for a 2,500-yard installation. Of course, dispersing fog and controlling weather are problems different in both nature and magnitude. But atomic power may help us get the answer.

Possibly it may somehow be employed at some of the key birthplaces of weather. It is a fact that the amounts of energy involved in atmospheric processes going on about us every day completely dwarf the energy released by an atomic bomb.

But greater energies are on the way and sometimes tremendous forces can be influenced by relatively minute forces applied at the right place at the right time. One scientist told the writer: "It will take a lot of power, but if we have atomic energy in several decades that means control of the weather in several decades."

3. Transmission of power without wires.

The housewife instantly thinks of a cordless vacuum cleaner. The ability of planes to receive their power from the ground, rather than being compelled to carry it in bulk, would revolutionize aviation. Practically every phase of life would be changed. It

sounds like Buck Rogers, but scientists explain that actually a radar set does it, on a small scale inefficiently.

One way of reaching this goal, a research man pointed out, would be by generating electrical power at super-super frequencies. We can now get frequencies of 5,000,000,000 cycles but frequencies would be required of the order of 500,000,000,000,000 cycles. In other words, we are only $\frac{1}{100,000}$ of the way there. But, the director of one research laboratory tells me, "Many things are going on which, if they have spectacular results, might make this possible. For example, improvements in high frequency generation during the war because of concentration on radar."

4. A fabric equal or superior to woven or knitted fabrics made in a simple, low-cost manner like paper.

The amount of labor spent on spinning, weaving and knitting is stupendous. Many people rate it as one of our greatest labor wastages. If paper was made so laboriously only the rich could read the news, and your Uneeda Biscuit package would cost more than its contents. What are our chances of developing a technique for the production of such a fabric? Good, quite good. One research man in the plastics field says:

"At our present rate of progress it will take 50 to 75 years, but there's no doubt it's coming."

He thinks it may be achieved through "slight and unimportant inroads into the fabric fields or by sudden discovery." The fabric must have, among other characteristics: air spaces for heat, flexibility for drape, and transmission of air for breathing. Today we can make a synthetic fabric that will breathe but will not drape, or one that has air spaces but doesn't breathe. What is needed are all these properties in combination.

We are making little stabs at it already. Paper sheets and pillow cases have been manufactured for one-time use. During the war du Pont turned out millions of cape-like covers to protect soldiers, their clothing and equipment from gas. These were made of a special cellophane, designed to be thrown away after a gas attack.

Two more recent (and possibly more significant) steps are Masslinn and Webril. Masslinn is a fabric made by running sheets of parallel cotton fibers through rolls which deposit an adhesive in wavy lines. The resulting fabric is already being used in disposable diapers and dental towels. Webril, made by blending heat-softening

What the name Levelcoat* means to you

To printers, advertisers and other buyers of printing paper, "Levelcoat" is the identification of Kimberly-Clark's complete line of fine papers. But more than that, it is the assurance of uniform, sterling quality.

For if you have ever visited the Kimberly-Clark mills, you know that every shipment bearing the Levelcoat label has been thoroughly tested and approved. Exacting scientific controls, as continuous as the manufacturing process itself, rigidly maintains a standard of unexcelled quality. The smoothness, the brightness, the printability achieved through research and experiment is present in every run of Levelcoat.

Thus, "Levelcoat" is more than a name . . . it is the symbol of Kimberly-Clark integrity. It is a promise of the finest in printing paper.



**KIMBERLY
CLARK
CORPORATION**

NEENAH, WISCONSIN

TRADE
MARK

*Levelcoat**
PRINTING PAPERS



How to be a Business Hero

The forward-looking executive who is the *first* to see and advocate the tremendous strategic advantages of a plant, branch plant or warehouse in the new industrial Southwest is bound to win the approbation of his firm.

The Southwest is "open country" for business enterprisers...a bustling land where markets, materials and manpower meet. Here is to be found every advantage for industrial expansion—vast and varied reserves of raw materials, power, water, fuel—willing labor, sharpened by wartime skills—rich home markets.

How to Start...

Send for the booklet, "The Industrial Southwest," packed with essential data on population, housing, climate, native resources and industrial opportunities in the Katy-served trading areas adjudged by U. S. Dept. of Commerce to possess outstanding prospects for peacetime prosperity.



Katy facilities serve Texas' major ports.

Main Street of the Southwest. The Katy publishes this advertisement because it is the "home town" railroad of the progressive cities of the Southwest. The Katy serves the Southwest well because it has *only* the Southwest to serve... does not criss-cross a dozen states... but is a closely-knit, friendly, Class "1" railroad, devoted exclusively to the development of its strategically-located Southwestern corridor.

The Katy serves the Southwest well because it first opened it to commerce in 1870 and has grown up with it. That is why Katy's Industrial Research Staff is in a unique position to furnish timely and comprehensive studies to help you establish new industry, relocate or expand. Write Industrial Development Dept., Missouri-Kansas-Texas Lines, St. Louis 1, Mo., or Katy Building, Dallas 2, Texas.

When you travel or ship Southwest, remember Katy.

MISSOURI-KANSAS-TEXAS RAILROAD SYSTEM



fibers into cotton web, is used for tea-bags—instead of expensive sewing operations they are sealed with an ordinary iron. These fabrics are by no means the answer for wearing apparel but they indicate what's coming.

5. Mass-production houses.

What is needed is a house that will do for domestic shelter what the auto did for transportation. The need is obvious. As our National Resources Committee recorded, "The provision of domestic shelter has been one of the slowest of the arts to respond to the widespread technical progress of recent times."

New methods opposed

THERE are many reasons for this slowness. On the one hand, we have plasterers refusing to use premixed plaster, plumbers refusing to connect plumbing on prefabricated houses, building code restrictions, and boycotts by dealers and labor unions. On the other hand, development of prefabricated houses has largely been in the hands of people trying to sell materials rather than shelter. One company goes in for steel houses because it wants to sell steel. Another into plywood because of interest in lumber. What's desired is the truly industrial engineering approach, with all interest on producing shelter and a completely open mind as to materials.

It is as if autos had been in the hands of lumber companies, obstinately insisting they be built of wood. On top of all this lies the conservative hand of architecture which clings to ancient forms and even as late as 1930 planned to put a stone skirt over the magnificent steel towers of the George Washington bridge. Such people resist mass production with talk about the necessity of houses being "different"—completely ignoring the fact that we have mass production of autos and still have some 19 different makes, with various color combinations. Fears of various labor groups for their jobs are also groundless. Autos created far more jobs than they displaced. So would mass-production houses.

The auto was more efficient than the horse-and-buggy and still it provided more jobs (an apparent paradox) because it made possible more travel for the average man. The mass-production house could also be more efficient and at the same time provide more jobs by making possible more shelter for the average man. It has been suggested that, as a starter, we need a great research organiza-

tion which would have no more interest in one material than another. Better housing would indirectly mean more money to buy sewing machines, electric fixtures, furniture, and so on.

These, among our needed inventions, are the Big Five. Naturally there are other needs, but none seems to be of the order of these five. Dr. Charles F. Kettering, General Motors' Director of Research, told me that "We need whatever our imagination convinces us we can have."

We need a method of economical storage of energy for power—this need may not be so pressing once atomic power is obtained.

We need direct conversion of energy into electricity—atomic power may likewise alter this need.

We need alloys which have great strength at tremendous temperatures—the discovery of these alloys might help us harness atomic energy or, on the other hand, might result from such harnessing.

Similarly, we need transparent materials with melting points up to 3,000° C.

These needs are fundamental, basic. They are not gadgets but the doors to a world of wonders. Those doors will not open if research is

crippled by a stupid weakening of our patent system. Or by equally short-sighted attempts to make research men the slaves of Government.

If the doors do open, we may expect revisions of our concept of daily routine. Only a few years ago every housewife took it for granted that she (or a servant) would spend some considerable time each day preparing lamps to provide light for the evening hours. Today's housewife spends no time on that. Similarly, there may be tasks today (for example, cleaning or washing) which instead of simply being speeded up or lightened may be entirely eliminated. In the National Resources report there was this significant statement:

"While many of the accomplishments of electricity appear miraculous, it is because of our own human limitations that its work has not been utilized to an even greater extent. We do not know what to ask that electricity should do next."

If that is true of electric energy, a century after Faraday, how trebly true it is of atomic fission only a few months after the Hiroshima explosion. Instead of guesses about what we may get, we should have more thought about what we need.

My Job As I See It

(Continued from page 22)
lation of law involved, such as price fixing. Price fixing, good or bad, is against the law *per se*. Where the practices against which we complain have been long existent, my purpose is simply to break them up, not to put anybody in jail.

Until recently, the emphasis of the Department, rightly or wrongly, has been on criminal action. It is now on civil proceedings. We are not witch-hunting. We are not proceeding on the theory that business men are criminals. I have been thoroughly schooled in the hazards and complexities of business. I have a healthy respect for the profit system and of the business man's desire to make money. That is what makes the wheels go round.

Nevertheless, rules for the game of making-money, as well as for living as a whole, have been set up, of necessity.

We are a people of diverse origins, diverse talents, and of diverse ways of pursuing our livelihoods. No country has ever created more and better ways in which a man can make a living. Yet from the very nature of

things, our national life has become more complicated. Business has become more complicated. I fully agree with the dictum of Jefferson that that government is best which governs least. But manifestly, this must be relative.

With the development and increased use of the automobile, we have had to have more rules for driving automobiles and more traffic lights, to keep one man from running another man down. Then we have had to have traffic directors to administer those rules.

More rules became necessary

SIMILARLY, with the increasing growth and increasing complexities of business—of our system of free, competitive enterprise—we have had to have more rules, not to stifle the free, competitive system, but to insure that it will be just that. It is not that when the big fellows can get together and blot out the newer and younger fellow with the new idea. It must be borne in mind that the free, competitive enterprise system is not to secure the attainments and hold-

ings of a particular group. It is to keep open the avenues of opportunity.

Presumably, when the Department of Justice proceeded against the so-called "Big Five" of the motion picture industry, they looked on it as "disturbing business," as seeking to "rock the boat." The situation is that in 1940, one of my predecessors entered into a consent decree with the "Big Five" to extend for three years, under which it was hoped the practices which were prejudicial to the independent producers would be eliminated. At the end of the time it was found that the independents were still at a tremendous disadvantage and new proceedings were opened up.

We are now pursuing this case in the civil courts. We are simply trying to prevent practices which we think throttle the flow of trade, or if you please, the free, private enterprise system. If the Big Five contend that we are prejudiced against them, what would the independents think if we did not take action. There is not a question involved here of being against "bigness" and in favor of "littleness." Size is not involved. It is simply a question of whether we are to keep open the flow of trade or opportunity, of whether we are going to enforce the rules.

Pioneering period is over

LIKE the traffic cop, ours is now largely a policing job. For many years after the political turnover in 1932, the Department was unquestionably pioneering—or crusading, if that is the term you prefer—in a broad enforcement of the antitrust laws which had been on the statute books for more than 40 years. For a long period, during which we fought World War I and experienced an amazing, artificial prosperity, enforcement of the antitrust laws was like prohibition enforcement. The drys had their law and the wets their whiskey, and the antimonopolists had their antitrust laws and the monopolists had their monopolistic practices. Just as the prohibition situation could not endure, the dead-lettering of the antitrust laws could not endure.

These laws were a result of a struggle against monopoly which began with the American Revolution, which in its economic aspects was a revolt against monopoly, and continued intermittently during the 19th Century. Primarily, our early efforts to keep the market free were carried on by the States themselves. The development of the frontier and the settlement of the West often obscured the

effects of monopoly and thereby diverted attention from the need to combat it. As long as opportunity could always be found in the opening up of new areas, it was difficult for monopoly to fasten its grip on the economy.

When the geographic frontier closed, however, it became evident that the continued concentration of economic power threatened to eclipse enterprise. Consequently, during the last years of the 19th Century there arose a mighty fight against the trusts which resulted in the passage of the Sherman Act. The Sherman Act is the expression of a fundamental opposition to the domination of industry by monopoly groups.

Now, instead of more or less ignoring the Sherman and its related Clayton Act, a system of fairly definite traffic lights has been established, and the Department is the director. If the light shows green, you go ahead; if it shows red, you stop. There is no reason to believe that any of our businesses or their lawyers are color blind. If they are in doubt as to what they can and cannot do, and I have been emphasizing this, they can come in to see me. Together we will discuss their problems, and I think I understand the problems of business. I am just as concerned in their becoming prosperous as they are. I only want to make sure that they give the other fellow an opportunity to become prosperous too.

Let no business man, or potential investor, who—in the bruising which one gets in life—has lost his incentive, now say that the Department of Justice is holding him down. That

simply is not true. He will have to get another explanation for himself.

In the transition from war to peace which the country is now undergoing, all of us have a responsibility. Even in the policing concept which I have of my job, there will be plenty of work to do. We cannot afford to return to the practices which have been outlawed in recent years and whose outlawing has come to be generally accepted by the business community. Yet it would be surprising, indeed, if in the exigencies of war some of these practices had not been renewed. Obviously they must be checked.

Competition encouraged

IT IS very definitely the policy of the Administration and the law of Congress to promote competition in the disposal of the government-owned plant system. The Department must pass upon the disposal of all projects involving \$1,000,000 or more, and Congress has 30 days in which to veto the sale of any plant involving more than \$5,000,000. The Department is serving on interdepartmental committees to determine how those plants which might seriously affect competition in a particular industry are to be disposed of. The matter of light metals is by way of solution. The government steel holdings and synthetic rubber plants offer no great problems.

The Department is also sitting on an interdepartmental committee to study what, if any, new legislation is needed regarding patents. It has been our attitude that no revision of the patent system is needed but that, perhaps, there should be additional legislation to prevent the misuse of patents, such as the withholding of new products from the market.

Similarly, we do not believe that cartels can be justified. Certainly it would be a mockery if our country entered into agreements to lower tariffs still further, and cartels are permitted to exist.

Finally, it would seem to be a part of our policing job to see that, in the development of television, it should not come to be dominated by rival communication industries, such as the telephone and radio, or that our rapidly developing airways should come under the control of competing railroads.

We have a great deal of employment creating to do, now that we are through with the wars. One of our greatest bets is through the development of new enterprises. And they will have an opportunity only in the free, competitive enterprise way.



"Sorry I haven't a whole suit to sell you. Perhaps you can buy the coat and pants down the street"

Britain Must Be Generous, Too

(Continued from page 32)

treatment for their exports to this country. It means that our tariffs on their exports are as low as on those from any other country. It does not mean, however, that their tariffs on what they import from us are the same as on what they import from other imperial preference countries, but merely that they are no higher than on imports from countries outside that exclusive British area. Imperial preference is a one-way street.

Canada and other dominions and colonies with large agricultural exports are reluctant to forego the advantages which imperial preference gives them in exports to industrial England. They do not enthuse over the high duties which imperial preference imposes on their imports from the United States and other countries. Also, war has brought an aftermath of new complications.

A survey by Thomas R. Wilson, chief of the British Empire unit in our Department of Commerce, shows a wide range of new industries in Australia, India, South Africa and other dominions and in many colonies. With few exceptions, all are ambitious to continue industrial production on the same scale. Australia intends to produce automobiles, not only for her domestic market but also for export.

Similar industrial plans are evident in all parts of the world where we and other allies have built for war. The over-all result in imperial preference countries is that the system which was to wall them into a self-sufficient empire will also prevent them from erecting tariff barriers against a competing colleague in the Empire.

Although imperial preference is thus experiencing internal pains, it still remains an effective obstacle to unhampered trade by the United States and by other nations with all countries of the British Empire.

Quotas are a bigger hurdle

IF imperial preference is a high tariff hurdle for world trade with Britain, import and export quotas are an insurmountable wall. Quota restrictions are not new and all countries enforced them as a war measure. Import quotas were adopted in British colonial administration in 1934, when wars were economic instead of military. The first Order in Council prohibited the import of textiles into

the Straits Settlements. Imports of dyestuffs and other commodities into the Empire or into particular colonies have been forbidden at various times.

While imposing an import or export quota or ban is a sovereign right of any country, vigorous protests can be expected from the country singled out as the victim, certainly from one asked to make a \$3,750,000,000 loan. Some declare that economic sanctions or quarantine, which are slightly more comprehensive than a quota ban, are equivalent to a declaration of war. Clamping down a quota as a punitive or competitive measure ends a friendship even when excused as a precaution against contagion or germs. A quota against luxury items may be explained as a necessary national economy but, as a competitive weapon, a quota is a last resort when a foreign commodity of superior quality, or lower price, cannot be stopped by a tariff wall.

Permits handicap trading

IMPORT and export permits, a feature of quota prohibitions, limited foreign trade during the war to military supplies. In peacetime they can serve other purposes as American business men are finding out. Though the British Government does not admit it as an official policy, various would-be importers of American finished products to the United Kingdom often cannot get import permits. It then is suggested, unofficially, that if the exporter would locate a factory in England, or make a royalty arrangement, unemployment would be relieved. If that is done, the suggestion continues, there will be no trouble in getting import permits for raw materials or parts to manufacture the article in that country.

Import permits, like imperial preference, can be weapons to expatriate American industry as well as obstacles to American trade. To meet that, many American concerns have incorporated in Canada or in other parts of the Empire and opened branch factories. Unhappy results often have followed such investments in other countries of Europe or Asia.

American workers claim that such factories abroad mean fewer jobs in the United States. That is true and, at the same time import permits and quota laws can close the British market for products made in the factories of America. If the United States can induce Britain to remove or curtail

these barriers, this complaint will disappear for we will then have the opportunity to sell the products of our own factories in the British markets.

Currency control is less brusque than quotas, less obvious and more devastating. In its manipulation, the Old Lady of Threadneedle Street has had long experience. The finances of dominions and colonies, even of other countries of Europe, are tied to British pound sterling—and London holds the reins. This is known as the sterling bloc area.

Sterling controls bind trade

UNDER wartime defense regulations, the sterling area was limited to the Dominions and colonies with the exception of Canada and Newfoundland. The large trade of the two latter with the United States puts them in the dollar market. Before the war, the sterling area also included the Scandinavian and other countries of continental and eastern Europe. They stabilized their currencies and computed their foreign commerce with the British pound.

The sterling area chains the economies of other countries to Great Britain. To stabilize their currencies and control commerce, each country maintains a working cash balance in London. When a country receives foreign currency—dollars, for instance—for its exports or services, the credit is converted into an equivalent amount of pounds sterling in London. The country which has the credit then cannot buy in the United States or in any other country outside the sterling area unless London allocates foreign exchange for the transaction.

If Britain receives more dollars through a loan, these shackles on trade must be broken so countries in the sterling area can spend their dollars without restriction in the United States. Until that is done, a country in the sterling area compares to a man compelled to buy at one store though other stores in the same shopping center may offer better bargains.

The dollar pool, a wartime measure in the sterling area, greatly increased the trade vacuum between these countries and the United States. Naturally sales for dollars were almost entirely to the United States. Representatives of India point out, however, that the Soviet Union paid for purchases of jute in dollars, a substantial addition to the dollar pool. Also, dollar purchases were few after Lend-Lease became effective.

Once in the dollar pool, dollars were released with great reluctance

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for purchases in the United States, even to the country which had contributed them. Egypt and Iraq were allowed more dollars than they contributed. If the desired goods helped the war effort and could be bought in British territory, pound sterling was released to other countries in the sterling area to make their purchases. India has protested vigorously against its inability to get back its own dollars.

This dollar pool has contributed substantially to a much larger pool of blocked sterling credits which will be a big problem in Britain's future trade. The United States has a direct interest in the solution. While the size of the dollar pool remained a military secret, the blocked sterling pool did not. It is close to \$14,000,000,000. This is the total of blocked sterling balances which the dominions, colonies and several other countries have in London. The debt to India alone is around \$5,000,000,000.

Part of this is for dollars converted into sterling; other items are balances normally carried in London by sterling area countries, but most of it is for supplies provided during the war and still to be paid for. A settlement will be worked out between London and the creditors, and many solutions are possible.

The United States has an interest in the extent to which dollars will be released toward liquidating these balances, now computed in sterling. Britain has its dollar pool and, with a loan from the United States, it will have many more dollars. If the different countries get dollars for part of their sterling balances, they believe each can buy direct from the United States. The United States can sup-

ply their needs more quickly than British industry can at present. If London insists on spending the dollars itself with continuing quotas, controls, and other restrictions, trade will be halting and slow.

The United States also is concerned in the settlement of Britain's sterling balances. It is even more vital to our trade and to world trade that currency transactions in the sterling area be put on a convertible—to dollars—basis. This means if a country in that area sells for one currency, it can buy with the same.

We want trade with all

GOVERNMENT monopolies, cartels, and other broad trade practices are other factors. Each country has its policies and preferences, but the United States and Britain will chart the course for world trade in the coming years.

The United States wants a world where every nation is free to trade where and with whom it pleases. The first step toward that goal, as stated by an American expert, is "to free international trade from the pound sterling strait-jacket." A firm dollar-sterling relationship and the free convertibility of pound sterling is a necessary prerequisite.

There can be no sound reason for us to lend American money to help build up British trade if its system discriminates against the sale of American products in her markets.

The tentative agreement now before Congress considers several of these discriminations. On others it is silent or postpones decision. Congress' responsibility now is to ratify, modify or reject the agreement.

London Plans World Business Fair

A PERMANENT international business fair in the center of London, in which each of Britain's major industries will have its own block of buildings, is the long-range objective of the Institute of Export, national British business organization.

The plan, now being worked out by the Board of Trade and Ministry of Health, stems from the annual Leipzig Fair—and its aim is to develop trade for Britain to enable her to become a cash buyer in the world market.

The old, twisting streets—hundreds of acres of them bomb-blasted and overgrown with weeds—will be replaced by wide new streets. Each block will be devoted to a major in-

dustry such as coal, textiles, machinery, shipping.

On the ground floor of each building will be a display of the industry's products. Upper floors will be occupied by offices of firms in the industry, headquarters of employer and labor organizations, and centralized sales and promotion departments.

Foreign business men will be given special inducements to visit the fair—reduced travel and hotel rates.

The plan will not get under way for about two years because it will take that long to build the 4,000,000 private homes needed to replace bomb-damaged dwellings, and that construction has top priority.

NORMAN M. LOBSENZ

How a Modern Strike is Run

(Continued from page 27)

today's strike techniques. Much labor water has flowed over the dam since 1932, and methods of conducting a strike have changed.

Before sizing up the new techniques, we should perhaps note the distinction between AFL and CIO. The fact that they are different in structural set-up, mental attitudes and in their way of going about things makes some differences in the strikes each conducts.

Differing union policies

THE Federation is not one cohesive labor organization. It is made up of autonomous international unions, each an entity in itself, sensitive and jealous of its rights. These unions come together in the Federation, just as they do in their local trades union councils, for mutual protection. The Federation represents them at Washington. They pay the Federation officials.

CIO, on the other hand, while composed of constituent groups, is a highly integrated movement in which each of the units adheres to the same general policies.

AFL unions deal mostly with single and smaller plants. CIO works on an industry-wide basis. It has the mass industries, and its disputes are more in the public eye.

A marked distinction between the two organizations is in their respective attitudes on current wage disputes. CIO is seeking a country-wide increase of 30 per cent. At a recent meeting of the AFL executive council in Cincinnati, the Federation announced that as such it is seeking no increase. However, its various internationals are seeking increases that vary from plant to plant, community to community.

AFL leaders have come up in the trades they represent. Mostly they are old-timers with no experience in and no taste for modern ideological harangue. They are hard bargainers with none of the academic approach.

CIO is dominated by intellectuals who, with the exception of men like Sidney Hillman and Phil Murray, are newcomers to the labor movement. They are now facing their first test, generally speaking, at collective bargaining—and AFL old-timers are watching them with mixed amusement and annoyance.

The organization of CIO, with its accompanying sit-down strikes, was

revolutionary and had the support of the Government. It was still in an uncertain stage when the war came on to solidify it. Most of its bargaining, therefore, has been with government agencies, rather than the private employer, and its strategy has been aimed at influencing these agencies through propaganda, agitation and political action.

Its leaders are now showing a decided reluctance to get away from this situation. CIO still wants the Government to act, even to the extent of fixing wage increases, while AFL leaders seem to want to get as far away from the Government as possible.

Whatever organization calls it, the strike will usually be timed so as to hit the employer hardest when his trade is the most brisk. Invariably the signal is given in the middle of—not between—shifts. A psychological factor is involved here. It makes the workers feel more excited, more en-

thusiastic, to get up and leave their jobs, rather than just not to report to work.

There is nothing adventurous about merely staying home.

Once the men have marched out, however, actual violence is relatively

unlikely. The day of labor's reliance on brute strength, intimidating strikebreakers' families and even wrecking plants is pretty well past. Partly this is due to increased wisdom on both sides, partly to the fact that federal law prohibiting importation of strikebreakers has done away with the old practice of employing bands of roving professional strikebreakers and, in the case of large industries, maintaining small armies and arsenals for protection.

Unskilled men help little

AFL, revolving around its skilled crafts, does not worry much about strikebreakers anyhow. The leaders believe that poorly trained men, unacquainted with the plant, do the employer more harm than good. However, strikebreakers do serve to lower the strikers' morale and make it more difficult to keep them on strike.

Today, however, the picket line seems to be accepted as a substantial boundary against the workers' return to the job. It seems to be gen-



INTERNATIONAL NEWS PHOTO

Strikes still breed violence but labor no longer puts its reliance on brute strength, wrecking plants, intimidation of strikebreakers

thusiastic, to get up and leave their jobs, rather than just not to report to work.

There is nothing adventurous about merely staying home.

Once the men have marched out, however, actual violence is relatively

generally accepted to have attained somewhat the status of law.

In the labor unrest just before the war, the picket line had come to have such general support that many unions in the New York City area didn't even use their own members,

but hired their pickets from a professional picketing agency. The professionals, who evolved such tactics as lying chain-like on the sidewalk, were paid so much on a rainy day—less on a fair day. The subsequent manpower shortage eliminated this lucrative business.

In current practice, management has shown little disposition to attempt to break the picket line. The union calls a strike, the plant closes down. In some instances, only one union with a relatively small number of the employees is on strike. Yet other organized workers refuse to cross the picket line—and management seems to be discouraging its unorganized employees from attempting to come through it.

Picket lines stop work

IN a recent oil strike, the workers of the Sun Oil Company's Toledo plant—members of an independent union which already had accepted a proffered 15 per cent increase—were not even involved. But CIO threw a picket line around the plant and the management agreed with the workers that they should abide by it.

In some instances, the picket line has prevented even the executives from entering the plant.

In the New York elevator strike millions were involved. Millions of dollars were lost by innocent employers and workers. Yet no effort was made to operate the elevators.

Three St. Louis newspapers had trouble with their distributors. Members of the Newspaper Guild entered the dispute and the papers closed down. On the other hand, when the vendors of the New York City newspapers went on strike, other employees paid no attention to the picket line.

Generally speaking AFL will not recognize a CIO picket line. The picket line, however, has become a subterfuge for unions which want to go on sympathy strikes in violation of arbitration provisions of their contracts. They don't strike, they just won't go through the picket line.

Though fairly safe from physical violence, the management of a struck plant today must be prepared to suffer a terrific publicity mauling.

It was not so long ago that union leaders would not talk to reporters, and when reporters, in fact, were bounced out of union meetings. Today the unions, particularly CIO, have efficient public relations set-ups and go out of their way to cultivate newspapermen. The newspapermen themselves have become union

minded; almost a half of those on the larger newspapers are members of the CIO Guild. Furthermore, the most influential papers have labor specialists, and inasmuch as their knowledge of labor depends on their friendship with labor leaders, the way of their sympathies is self-evident.

CIO attack is not confined to the more obvious propaganda mediums. It goes about its strikes or its disputes with the same evangelical zeal with which its Political Action Committee went about working for the fourth-term election of Roosevelt. Young women and men, most of them college bred, work every home as good-neighbor visitors selling their wares. They accept every opportunity to speak in churches and schools. They mix into parent-teacher organizations and other community activities. These young workers are instructed to live in moderate hotels when traveling and to live in moderate neighborhoods so as "not to lose the common touch." CIO's literature is so simply written that a ten-year-old child can understand it.

Propaganda against company

A STUDY of General Motors experiences reveals the CIO propaganda pattern. Not content with putting their case before the public, CIO sought to create suspicion that the company was a colossal fraud, that CIO was onto it and that, if it did not come to terms, the company would be exposed.

They demanded that the General Motors profit structure be discussed in public. Prices and profits are already public property but the Government has always recognized the necessity, in a competitive enterprise system, of secrecy as to how the profits are arrived at. Yet Henry Wallace's associates are predicting that the next great political issue in this country will be the "making public of the profit structure."

CIO leaders carried their attack to the newspapers and the radio, even to the national Town Hall radio program—not once but several times. They did not confine their activities to Detroit. They rushed periodically to the propaganda mill of Washington. They bludgeoned government agencies into making public statistics to support their demands.

It was CIO agitation mainly that caused President Truman to go on the air with a recommendation for a general wage increase. Incidentally, CIO is believed to have slipped up here. Widespread reports had pre-

ceded the President's speech to the effect that he would recommend a 15 per cent increase. CIO got a group of friendly government economists to let leak to the press that they had found a 24 per cent increase, with no price boost, justified. This is believed in well informed Washington circles to have so annoyed the President that he mentioned no figure, a fact which AFL applauded.

Agitation for investigation

AFL used similar widespread propaganda tactics against the shipbuilder, Andrew Higgins. When he—because of labor troubles—shut down his plants, AFL propagandists began an agitation for a congressional investigation, alleging that he was having income tax trouble. Such tactics by AFL are rare because of the local nature of their disputes. Higgins, however, is a newsworthy figure.

Once a strike has started and the employer has weathered or become callous to a propaganda attack, he may, or may not, decide to ride out the storm. If he does, he will find that it is not easy to outlast the unions—especially AFL.

All its organizations are well prepared to sustain their members on strike. In the past they have sought to pay strike benefits of \$6 to \$12 a week. Now they can pay more. The first problem of a strike committee has been to find out about the fellows who are behind in their rent or their grocery bills and to take care of them by contributions from other members, by fund-raising enterprises such as dances and, not infrequently, through appeals to organized workers throughout the country. But finances now are one of AFL unions' lesser problems. The Federation has a defense fund of close to \$2,000,000 and the war chests of the internationals run up to a good twenty times that much.

The question remains as to how CIO, similarly well financed, will fare with thousands of its workers, largely unschooled in the traditions of unionism—and composed of a tremendous number of transients—involved at one time. Its strategy is to yell bloody murder and create as much national excitement as possible. It is, in effect, fighting for its life because should it lose in either the steel or the motor industry, it will have received a mortal blow. AFL has no such large-scale operations pending.

The smaller business man or plant owner, dealing with either CIO, AFL or John L. Lewis' District 50, must keep in mind that in a protracted

strike, the union may attempt to destroy him.

In the heat of battle, little regard is ever given to the fact that an agreement may be finally reached and therefore his business should not be damaged. If necessary, the unions will seek to strike other plants with a view to bringing pressure on him. AFL doesn't lend itself to this so readily as CIO because the Federation leaders are reluctant to take on any troubles other than their own. They do seek, however, to advertise employers whom they classify as unfair with a view to damaging the business.

Strikes of but a few hours' duration to demonstrate strength have been introduced by telephone and telegraph workers, while in the labor troubles of Montgomery Ward, the CIO union has resorted to a series of one-week strikes in a war of attrition. The union hopes to make it impossible for the mail order house to assure future deliveries. These strikes, however, can become as wearisome to the workers as to the employer.

May resort to sabotage

IN a long strike, or one in which an attempt is made to operate the plant, the employer should watch out for the stray union member who returns, says he is fed up with the strike and wants to come back to work.

He can just as well be a saboteur bent on damaging machinery or products.

It is well to remember that strikes nowadays usually have the support of at least a majority—usually much more than a majority—of the employees involved. Organizational strikes in which a minority formerly forced a strike with a view to making everybody join the union are things of the past. Elections are now held to

determine a union's strength in a plant.

Finally, if the strike reaches the point of conciliation, the company should remember that the government conciliator usually has been by nature and association on the side of the worker. He is not highly paid and has to travel on \$6 a day expenses. His first job is to save face on both sides, that is, to try to get the disputants to meet, something they probably have already done.

The next step is mediation. He now seeks to put the employer in one room and the union representative in another and then go back and forth between them asking just what each will accept.

Arbitration is next. It is surprising that unions generally seem reluctant to agree to arbitration. Invariably they get something, probably half their original demand which usually was pitched twice as high as was expected in the first place.

The unions say that when they put an arbitration clause in a contract they are granting a big concession inasmuch as they forsake their right to strike. The clause is something the employer should insist upon, notwithstanding that ways are found to break it, such as not crossing the picket line.

In calling a strike, the union leaders count heavily on its being short-lived. In the past they haven't been prepared financially for long drawn out struggles and now that they are well off, they don't like to dissipate their resources. Besides, in a protracted fight the workers gradually drift away or back to work, and in either event, the local union loses its membership. Neither side ever wins an endurance fight. Even if it is never settled and the company claims a victory, it costs a lot of money and takes a long time to recover.

Lumber for Bombs

THE MAN who wondered why he couldn't find a couple of boards during the war to patch his porch can blame at least part of his troubles on the atom bomb. Construction of the two bomb production centers—at Oak Ridge, Tenn., and Richland, Wash.—drained 360,000,000 board feet of lumber from the market, the National Lumber Manufacturers Association reports.

Virtually all types of construction lumber and some hardwoods were represented in the total. The bulk of that used at Oak Ridge was Southern

pine produced by a number of southern mills.

Lumber used at Richland came from hundreds of western mills.

About 20 per cent of the lumber was procured on the open market and 80 per cent through the auction system conducted by the Central Procuring Agency which purchased lumber for all the war services and agencies.

As an aid to secrecy, lumber destined for Oak Ridge was consigned to Elza and Blair, two nearby whistle stops.

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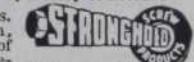
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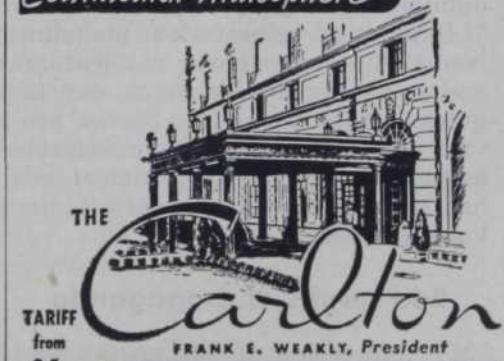
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Drum and Mask Diplomacy

(Continued from page 42)

benevolent cooperation in their news distribution plans.

"The Government, without realizing what it could have done, now feels that not enough has been done and that it must go into the business itself, though, for the present, denying that this is to be in competition with the news agencies."

Official news is warped

"THIS adventure of the United States into the dirty game of international propaganda may be part of the heavy price which we must pay for getting into the even more unpleasant and unscrupulous game of big power politics," says a third. "Every newspaper reader knows that governments do not distribute news to present it objectively but to poison it, warp it and shape it to suit a national policy or some politician's personal pelf or an intriguing propaganda group."

"An honest private agency always can win with the honest press against a Government's journalistic prostitute. If America goes into that game, it will be at a high price in international prestige."

"Observation of the technique used by other governments suggests that the more ambitious an official information agency becomes, the more likely it is to create skepticism among the foreign communities whose good opinion is sought," says a fourth. "Libraries of information, including books, files of current publications and a willing ability to answer inquiries about the United States, provide one of the most practicable methods which the Government can use in making this country better known abroad."

Bad results of propaganda

"MY impression of our government propaganda," a Congressman said on his return from Europe, "is that, instead of making people friendly to us, it either scares them by showing the glory and grandeur of war or, by bragging about our prosperity, whets their appetite for another billion."

"In Paris, our publicity promoters told each other how good we are but there wasn't a line in the newspapers for Frenchmen to read. In Portugal, they boasted that 'the American way'

is so well popularized that a newly arrived British Ambassador mimicked it by cocking his cigar at an angle. That's a triumph in something—Price, \$20,000,000.

"At the same time, the Portuguese Government hadn't bothered to answer our request for aviation rights though it had been before them for a month. Our State Department drumbeating makes us ridiculous in foreign countries and does not help American business, international relations or friendship for the United States."

"Iraq never had any American press service and its people and the people of that whole area knew very little about the United States before the war," says Loy W. Henderson, a former minister to that country who believes that OWI, now OIICA, handouts "put USA on the map in Iraq."

Reputation counted

ONE afternoon on my way to Bagdad, we stopped in front of a cluster of low black Bedouin tents pitched on the Iraq desert.

Our caravan leader stooped low to enter the largest one to pay his respects or tribute. In a couple of minutes he returned with an invitation to me from the sheik. The aged man motioned me to a seat on a vacant rug with a high saddle for a backrest on his right.

"I've always wanted to see an American," he said, a Turk interpreting into French.

"We Arabs are very friendly to the United States," he added.

"Desert diplomacy," I thought but I did ask the reasons for our country's high standing on the Arabian desert.

"Many Mohammedans live in Mindanao, which I am told is in the Philippines, somewhere on the other side of the world," he replied. "After the United States took that country, it sent to Constantinople and Cairo and brought back three famous teachers for our people. All Arabs thank the United States for what it did and I am glad to welcome an American in our tents."

That was before alphabetical agencies were born and press handouts and portable radios had not reached the desert.

Deeds, not words, counted with the aged sheik and his people. Our policy in Palestine will do more in 24 hours toward fixing Arab attitude toward the United States than the flood of State Department propaganda can accomplish in a lifetime.

People are much the same, the world over. Whether in distant desert or crowded city, their opinions are formed by what their own and other countries actually do, not by what officially slanted handouts and radio broadcasts tell them.

Noisy propaganda has little influence on their decisions as to which nations are friends, what institutions to admire and what course to follow.

Caffeine from Air and Water

THE first large-scale plant for the manufacture of synthetic caffeine will be built in St. Louis by the Monsanto Chemical Co. at an estimated cost of \$1,500,000. Designed to free the United States from dependency on foreign sources of caffeine, it will utilize an improved process by which the synthetic material is derived from nitrogen (air) and hydrogen (water)—simulating nature and producing a product of greater purity, it is said, than current USP standards.

The stimulating effect of certain beverages—tea, coffee and cola soft drinks—is attributed to caffeine. Likewise, the caffeine of commerce is used in medicine.

Cocoa cake, a by-product of chocolate manufacture, is the only source from which caffeine has been heretofore synthesized.

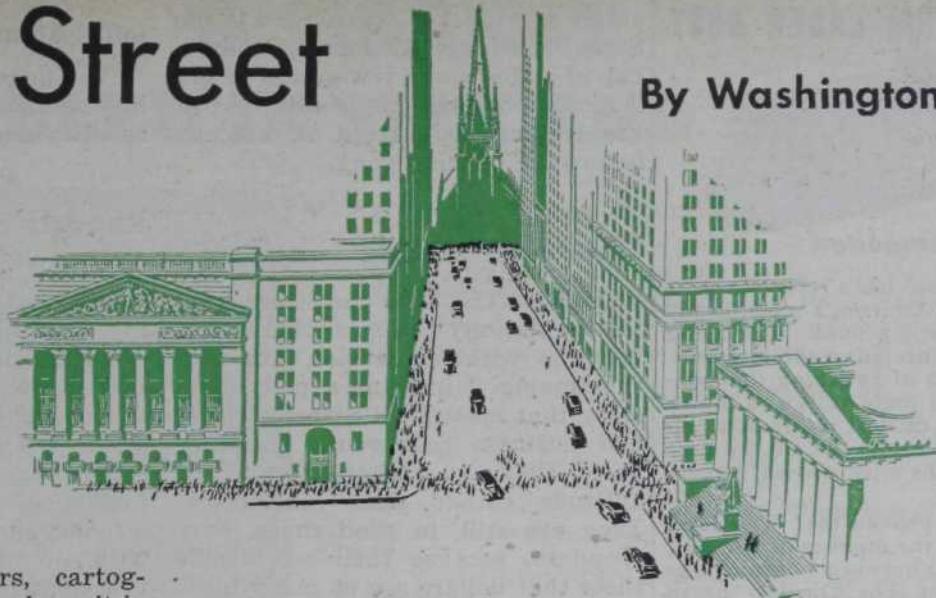
It is now being utilized more fully by its manufacturers for other uses—leaving only tea waste and surplus coffee as natural available sources.

The severe wartime shortage of caffeine caused by dependency on imported vegetable products and the fluctuating availability of such raw materials is not expected to be relieved even in peacetime.

Large-scale manufacture of synthetic caffeine in the new plant will give insurance against shortages in the future.

Our Street

By Washington Dodge



To SUBWAY conductors, cartographers, and real estate brokers, it is probable that Wall Street refers to an exact geographical area. But to most people, the phrase has become a symbol for the business that is centered here, although its lifelines flow from La Salle Street, Montgomery Street, State Street, and Main Street, too.

According to each individual's learning and personal experience, the phrase may be a happy one or one of evil. For that reason the simple label "Wall Street" was discarded as the title for this department.

Perhaps I can give you a new picture of Wall Street by telling you of how it is thought of by those whose daytime home it is—those who know every step of it from the little triangular piece of sidewalk where the Irving Trust has inscribed in brass, "Crossing by permission only. Revocable at any time," to the wharves by the river where the stenographers bask on a sunny noon.

* * * * *

No Street of gods

TO us there is nothing formidable about Wall Street—Our Street—because we know nobody really knows anything down on our Street. It is no Street of gods by any means, this narrow lane whose people are so hopeful and energetic in the morning, so full of chatter at hurried lunch, so harassed and tired by the time the last rattling ticker has been stilled. The only time it ever seems at all awesome is perhaps in the late summer evenings when it is silent and reposed and its soft purple shadows are dotted by the bright red eyes of windows watching the setting sun.

We know the people along our Street are all human. No, there are no gods among them and no giants. They are men with weaknesses just like yours and mine, men who have their silly little dreams of great achievements, their sillier prejudices, and their proud ethics. They have all made mistakes just as we all have done and shall keep doing. For the most part they are charitable and kind. There are the cheerful, boisterous bulls, and the suspicious, sniffing bears, but the jackals must walk alone.

And there are very few leaders. You would be surprised how few leaders there are. It's a Street of children, all groping in the vast darkness of economics and politics and psychology.

"What do you hear?" they ask, and you know they are afraid. "What do you hear?"—that's the password along our Street.

The great machine of money is cruel, impersonal, unpredictable and destructive. And the men who work with it try to find comfort and courage in each other.

"What do you hear?" Bank presidents ask it of each other just as do the brokers, the customers men, the clerks in the margin department, and the runners that meet on street corners.

Our Street is a gossipy Street. We tell our neighbor's secrets, but we know ours, too, will be told. It may be strange but we have two types of confidences. One we may violate within reason, because that is part of the rules. The other is the confidence that must not be violated. For a confidence of that sort, the ethics of the

gossipy men along our Street are stern.

Most of all, ours is a happy Street where hope is always high. No matter how bad today might be, no matter how costly our errors, how wrong our every move, tomorrow will surely be the day we have waited and labored for, the day our ship comes in.

* * * * *

Only in New England

STOCKHOLDERS of Consolidated Lobster Co., Inc., of Boston, recently received the following communication from the clerk of the corporation:

"It has come to my attention that by error of our Transfer Agent some, but not all, of the copies of the annual report recently mailed to stockholders have required payment of three cents excess postage. To make certain that all stockholders are reimbursed please accept the enclosed stamp and the regrets of the Company that you have been inconvenienced."

* * * * *

Men at work

A FEW days ago there strode into the subway one of a very rare species—a Wall Streeter wearing the traditional garments of his trade. For the benefit of younger readers, let me explain that the essence of this uniform is a derby hat and a Chesterfield coat. The white carnation, stiff collar, and pearl stick-pin are optional. True to type, this gentleman promptly began reading the comic page of a better-known tabloid and

THIS Dustless BRUSH REDUCES GERM LADEN DUST



Eliminates Sweeping Compound

The "Dustless" brush has a reservoir in its back which holds Arbitrin, a scientifically compounded sweeping fluid. The center row of tufts is connected to the reservoir. During the process of sweeping the Arbitrin feeds through these tufts and moistens every particle of dust it contacts. Instead of floating through the air, the dust is converted into the most efficient sweeping compound.

Tests have proved that "Dustless" sweeping reduces the number of bacteria, normally in the air between sweepings, as much as 97 per cent. The "Dustless" brush also cuts labor and material costs in half.

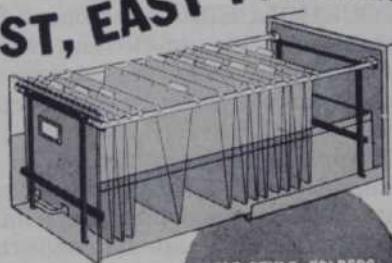
GUARANTEED

Dustless brushes are used in hundreds of offices, factories, schools, institutions and stores. They are unconditionally guaranteed to meet your requirements.

Write for styles, sizes and prices today.

Milwaukee Dustless
BRUSH COMPANY
528 N. 22nd St., Milwaukee 3, Wis.

NEVER BEFORE SUCH
FAST, EASY FILING!



Above: Pendaflex frame and folders, showing how they hang upright in file drawer.

Oxford
PENDAFLEX*
New style filing folder

HANGS! Reduces filing time 20%
—transforms filing from laborious searching
to instant visible reference.

NO NEW CABINET — simple frame fits in
file drawer and folders HANG in file. Elim-
inates most misfiling.

Send for FREE BOOKLET *Reg. U.S.
Pat. Off.

OXFORD FILING SUPPLY CO.
348 Morgan Ave., Brooklyn 6, N. Y.

Please send free booklet describing Pendaflex.

Name.....
Firm.....
Address.....
City..... State.....

did not look up until the train pulled into the Wall Street station.

Our ways parted then. But I can safely assume that his path led to the Stock Exchange Luncheon Club, a cup of coffee and a few games of gin rummy and a hasty appearance upon the trading floor about 90 seconds before the opening gong.

* * * * *

Like other people

FORTUNATELY for the Street (and for the nation) few such characters, with or without derbies, are still functioning. I imagine a poll would show that most Wall Streeters have had business background in other lines—they are brokers because of aptitude rather than inheritance. They are still, in good times, easy spenders, because their work tells them that dollars are so many birds of passage. They still are fond of the theater and night clubs—but it is not without some reason that they refer to that "morning after" feeling as "a slight touch of the occupational ailment." But as a whole they are hard-working, businesslike, and mentally alive.

Evidence of the new Wall Street mental attitude may be seen in the activities of such organizations as the Association of Stock Exchange Firms, the Association of Customers Brokers, the New York Institute of Finance, and the New York Society of Security Analysts. In future columns I hope to cover each of these groups—this time I will let N. Leonard Jarvis of Hayden, Stone & Company, as able a statistician as ever waved a slide rule, tell you about the Security Analysts of which he is president.

"Three days a week throughout most of the year the spectacle of the Mountain coming to Mohammed is witnessed in a restaurant just below Wall Street. Here, during the noon luncheon hour, senior officers of the leading corporations, top economists, and government officials from many countries come in a steady stream to address the New York Society of Security Analysts, a group of truth-seekers whose membership probably has greater influence in the share markets than any like number of men in the world.

"From the original concept of the Society as a mere discussion group for the exchange of ideas and information, objectives were broadened to include:

"1. The establishments and maintenance of a high standard of professional ethics.

"2. The improvement of analytical techniques.

"3. The interchange of ideas and information among analysts.

"4. The promotion of a proper public understanding of the function of security markets."

* * * * *

Reports

WITHIN a few weeks postmen throughout the land will be staggering with the seasonal load of annual reports. Fortunately the type of report which is referred to as "old fashioned" is becoming something of a rarity, although still employed by some of our larger concerns. The "old fashioned" report, to be specific, is a folded sheet of paper which begins with some hearty message from the president of the company, such as: "To the Stockholders: I am pleased to submit our 1945 figures. Your continued cooperation is appreciated."

The figures which give him such alleged pleasure consist of a balance sheet and income account.

You can take for granted that this type of report will never mention how much the per-share earnings are—the stockholder is left to his own slide rule or the longest long division he has done since grade school.

Much as I dislike, personally and professionally, this type of report, it must be regretfully chronicled that many corporations have erred in the other direction, publishing a compendium that is known in the Street as a "whoopla report." This type can be spotted at once—it is printed in color on sleek paper and you know that the Advertising Manager went to town on it. It will have sufficient figures in it, if you spend the time to find them. And it is likely to have other factual material, cleverly sandwiched in among the president's double-talk about public relations and the magnificent job the research department is doing.

The one element most lacking in the average report, and probably the most desired by stockholders, is a frank statement of competitive conditions. Most reports read as if the issuing company were the only one in the field and, although most statements naturally steer clear of any mention of stock prices, I believe every statement should have a statistical table giving previous earnings and dividends and price ranges to enable the stockholder to answer the one question which should be on his mind as he reads the reports:

"Shall I sell it or buy more?"

Chicago and Northern Illinois A MARKET UNEQUALLED IN SIZE AND DIVERSITY



This area has a population of about five million.

Unlike a region which is characterized by one or two dominant types of industry, Chicago and Northern Illinois industry is highly diversified. In addition, this area is a world hub of agricultural and commercial activity. These factors combine to provide an economic balance that tends to cushion fluctuations in business.

What do we mean—industrial diversification?

There are 10,000 manufacturing plants in Chicago and Northern Illinois. They make everything from tractors to toothpaste, from abrasive wheels to X-ray equipment—a total annual production even before the war of almost 4½ billion dollars. 86% of all types of U. S. industries are represented in this area.

Why is Chicago and Northern Illinois so important in the nation's agriculture?

It is because this area is situated in the center of the rich mid-west agricultural valley, unquestionably the greatest food producing area in the world. This, in turn, has made Chicago and Northern Illinois an outstanding center for food processing and distribution.

Here is also an area that creates tremendous buying power of its own—the goods and services for living that people here want and must have.

What do we mean—tremendous buying power?

We mean, for instance, that this year the total income of people living here reached a rate of 7½ billion dollars annually, that this income is of course reflected in buying power, and that buying power created retail trade in the Chicago and Northern Illinois area exceeding 2 billion dollars in 1943. More than that is the fact that the Chicago area is an outstanding center of wholesale trade—another 5¼ billion dollar market. One building alone—the Merchandise Mart—attracts 400,000 buyers a year. These are some of the reasons why Chicago is nationally known as the "Great Central Market."

What does all this mean to you?

It means that if you are contemplating location or expansion of an industry that could benefit by participation in a market unequalled in size and diversity, the Chicago and Northern Illinois area deserves your thorough investigation. We shall be glad to assist your study of this area and all it holds for postwar industry.

Industries locating in this area have these outstanding advantages

Railroad Center of the United States	•	World Airport	•	Inland Waterways	•	Geographical Center of U. S. Population	•	Great Financial Center	•	The "Great Central Market"	•	Food Producing and Processing Center	•	Leader in Iron and Steel Manufacturing	•	Good Labor Relations Record	•	2,500,000 Kilowatts of Power	•	Tremendous Coal Reserves	•	Abundant Gas and Oil	•	Good Government	•	Good Living
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This is the fourth of a series of advertisements on the industrial, agricultural and residential advantages of Chicago and Northern Illinois. For more information, communicate with the

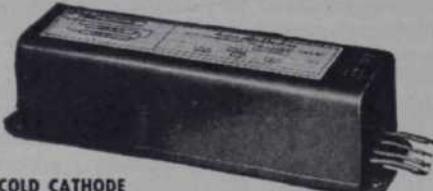
TERRITORIAL INFORMATION DEPARTMENT

Marquette Building—140 South Dearborn Street, Chicago 3, Illinois—Phone RANDolph 1617

**COMMONWEALTH EDISON COMPANY • PUBLIC SERVICE COMPANY OF NORTHERN ILLINOIS
WESTERN UNITED GAS AND ELECTRIC COMPANY • ILLINOIS NORTHERN UTILITIES COMPANY**

TRANSFORMERS FOR COLD CATHODE LIGHTING

The light source of the future, providing a more effective light output at a lower cost. Cold Cathode lighting is instantaneous starting, frequency flicker minimized, tube life many times greater than ordinary fluorescent lighting. Acme engineers have developed efficient transformers for use in connection with cold cathode lighting. Write for Bulletins.



COLD CATHODE
BALLAST FOR 8 FOOT 25 MM TUBES

Cold Cathode lighting tubes 8 ft. long with a life expectancy of 10,000 to 20,000 hours.

INDUSTRIAL TYPE COLD CATHODE TRANSFORMERS

Designed for simplicity of installation, long life and high efficiency performance.



THE ACME ELECTRIC & MFG. CO.
CUBA, N.Y.

Acme  Electric
TRANSFORMERS



For small size, under-industrialized progressive cities.

For raw materials and cheap fuel and power reserves.

For all-year ideal working conditions and pure American-born white citizenship.

Investigate West Texas' Industrial advantages. Wire or write:

WEST TEXAS
Chamber of Commerce

Headquarters office: Abilene, Texas

About Our Authors

If the next few years produce an expanding American economy, we shall require full use of the four M's—men, management, materials and machinery. To keep them all busy requires a fifth M—money. Now that paper restrictions have eased somewhat, NATION'S BUSINESS adds a new regular feature, "Our Street." It's the place where skill and organization keep money at productive work. The author is Washington Dodge, partner in the stock exchange firm of Roberts & Co., New York. Mr. Dodge knows finance, but more, he knows how to talk and write about it, as readers of his firm's market letter "state of the market" already know.

BEFORE World War II, business, looked upon with suspicion in most government circles, considered itself the victim of persecution and was seldom, if ever, able to learn the full why. Sensing a reversal of this attitude, we went to the new Attorney General of the United States, Thomas Campbell Clark, to learn what business men could expect from his department—today. In the lead article in this issue he gives his views on business and the laws regulating it. Now for the first time in many years, the position of the Department of Justice has been made clear to the public. Tom Clark hails from Texas and has been associated with the Department of Justice since 1937.

ATOMIC ENERGY and its use, development and control has Congress studying proposals for a national scientific research program. But scientists list it as only one of the marvels to come. Don Wharton has invaded the laboratories of some leading corporation scientists to get their opinions of what other inventions are most needed, reasonably attainable and of greatest future benefit.

Wharton, a regular contributor to *Reader's Digest*, *Saturday Evening Post*, *Scribner's* and other magazines, started his career as a reporter for the Greensboro (N.C.) *Daily News*, moving later to the editorial staffs of *Outlook* and *Independence*—'30 to '32, *New Yorker*—'32 to '35, and *Scribner's*—'36 to '39.

IT IS SAID that President Truman enjoyed the sweetest presidential honeymoon ever. Now that it is a thing of the past and the rumblings of political disagreement grow louder, the President finds that he faces a Congress which is not in complete accord with his pro-

Ritepoint

The
Easy-
Writing
Pencil

No
Finger
Strain
•
Smartly
Styled
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Durable

AVAILABLE SOON

MANUFACTURED BY
Ritepoint Co.

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MARYLAND'S Ambassador of Good Cheer is definitely a costly beer. But to the critic of flavor it seems to be entirely justified.

IN LIMITED QUANTITIES
FROM COAST TO COAST

NATIONAL
Premium
BEER

by the
NATIONAL BREWING COMPANY
OF BALTIMORE IN MARYLAND

posers. He has a long tough fight on his hands. We asked Charles Trusell, Congressional reporter of the *New York Times*, to do a piece about the hot potatoes that Mr. Truman will have to handle in 1946.

SHOULD we lend \$3,750,000,000 to Great Britain? If so, Americans want it used to expand world trade. Will the British see it that way? Contrary to general opinion, England is not "the Mother of free world trade." With the exception of a few years before the turn of the century and the adoption of imperial preferences, she has been among the most restrictive.

We asked U. S. Senator Chapman Revercomb of West Virginia to discuss for *NATION'S BUSINESS* readers the bearing of present British trade policies on our trade and on the proposed loans.

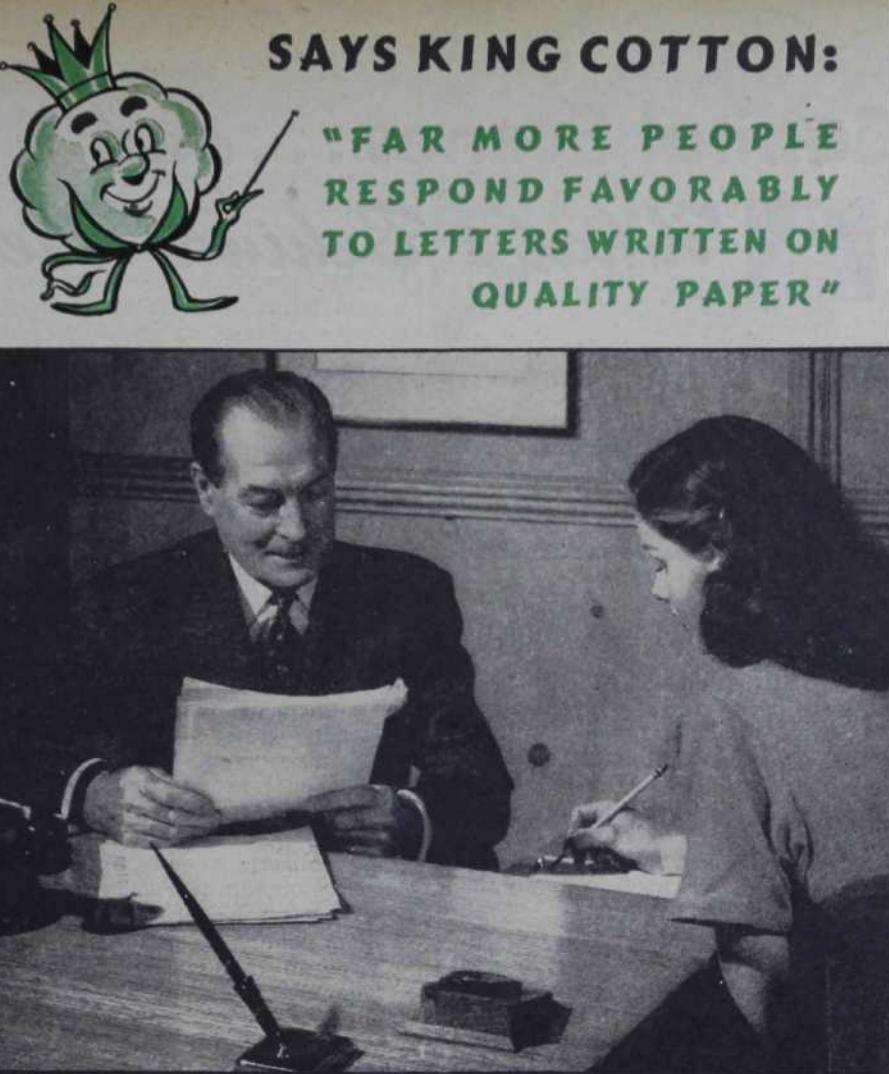
EACH YEAR for the past three Jack Wallach has prepared for *NATION'S BUSINESS* a forecast of retail trade in the coming year. As the retail inquiring reporter for the *New York Sun*, he devotes all of his time to the greatest retail market in the world—New York City's. Judging from the success of his past prognostications, his '46 forecast should hit it on the nose.

AS EDITOR and assistant secretary of the American Management Association, James O. Rice has had several years of experience in the study of collective agreements and collective bargaining negotiations.

KNOWING that all men—from those long established in business to the returning veteran—are interested in new ways of making money, we commissioned Lester Velie to find out from practical business men what they consider will be the best half dozen ways to make money in the years to come (and we don't mean printing your own, either). Velie has written for *Colliers*, *Coronet*, *Saturday Evening Post*, and other nationally known publications.

Eugene Lyons, for many years editor of the *American Mercury*, has written and lectured extensively on world affairs. He spent six years in Russia for UP. Among his published works are *Assignment in Utopia*, *The Red Decade*, *Stalin*, *Czar of All the Russias*. Lyons will be a regular contributor to the new section of *NATION'S BUSINESS* entitled "Trends" which will make its initial appearance in the February issue.

Laert St. Clair is a business man who is so interested in his hobby—walking horses—that it is a pleasure to hear him tell about it. He has even named his Maryland home Hitching Post Hill. He has been successively a newspaper reporter and editor, organizer of the publicity bureaus of NRA and FHA, transportation assistant to Secretary of Commerce Roper. St. Clair is now in private practice as an industrial counsel.



SAYS KING COTTON:

"FAR MORE PEOPLE
RESPOND FAVORABLY
TO LETTERS WRITTEN ON
QUALITY PAPER"

People judge your firm by the quality of the paper you use for letters. Your business will be better liked if you use cotton fiber paper. Letters on cheap paper don't command attention. Cotton fiber stationery, with its brisk, clean, hard, smooth finish pleases people and will assure first attention for your letters.

The superior writing and erasing qualities of cotton fiber paper,

its additional strength, durability, and permanence more than make up for the additional cost of a mere fraction of a cent a letter. It costs no more than that to give the quality feel and appearance to your letters.

For stationery that will get better results because people like it better, remember, *it pays to pick Parsons*.

It Pays to Pick
PARSONS
PAPERS
Made With New Cotton Fibers

Capital Scenes... and What's Behind Them



One point of agreement

MAJ. GEN. Patrick J. Hurley denies that he and the State Department career men were always at odds. In proof of this he tells of a dispute he had in Chungking with Clarence Gauss, the career man whom he succeeded as Ambassador to China.

It went something like this:

GAUSS: General, I must say that you are no diplomat.

HURLEY: For once, Mr. Gauss, you and I are in 100 per cent agreement.

As the rangy Oklahoman sat in the witness chair on Capitol Hill, explaining the reasons for his spectacular resignation and trying to tell Senators what was wrong with the execution of American foreign policy, he must have been reminded of a story he used to tell about the danger of giving advice.

Down in the old Indian Territory (where Pat Hurley was born 62 years ago) a young Indian girl was asked by her high school teacher to write something about Socrates. She wrote:

"Socrates was a Greek philosopher who went about giving people good advice. They poisoned him."

Mr. Truman at the piano

MUCH has been written about President Truman's piano playing and about his acquaintance with poker and whisky. Nevertheless, a few questions remain unanswered.

What kind of pianist is Mr. Truman? Is he good, bad, or just mediocre? And what kind of poker player is he? And drinker? In all three cases the answer is the same: He is no champion.

Here is President Truman's rating in the three departments:

Piano—He plays correctly but without any marked verve or feeling. He enjoys playing, however, and that would seem to be the important thing. Also, he knows and appreciates good music.

Poker—in this great American game, Mr. Truman is neither a plunger nor a pussyfoot. Those who have faced him in draw and stud describe him as strictly a middle-of-the-roader.

Drinking—Mr. Truman is a connoisseur of bourbon whisky, but drinking is no problem with him. As the saying goes, he can take it or leave it. In short, he is a conservative drinker, no different from other men who have occupied the White House.

In passing, it might be said for the

benefit of the President's clerical critics that he has read the Bible from cover to cover six or seven times, and quotes from it with ease.

Pickets are back

PICKETING, a familiar activity in Washington before Pearl Harbor, is 100 per cent reconverted. The pickets have come back in force, and a government official no longer is surprised when he sees them shuffling up and down outside his home or his office, holding aloft their printed slogans.

The first to show up after the war were picketers who wanted to strike back at Sen. Theodore Bilbo, Mississippi Democrat. They haunted his home on Massachusetts Avenue, apparently hoping to make him feel sorry for the "Dear Dago" letter he wrote to a New York woman who had criticized him. Bilbo showed no signs of being sorry.

The next band of picketers to unfurl their banners were pacifists. They paraded before the White House carrying placards asking that wartime conscientious objectors be released from jail. Passersby appeared to have some sympathy for them.

Then came the Communists. The only surprising thing was that this time they made no attempt to say they were something else; on their placards, in bold red paint, were the words, "Communist Party, District of Columbia." Their post of duty was the sidewalk outside the State Department and their target was the head man inside, James F. Byrnes. A placard read, "Hurley Out—Byrnes Must Go Too."

Protecting Molotov

THIS SLOGAN was based on an editorial that had appeared just a few days before in the *Daily Worker*, under the by-line of Communist Leader William Z. Foster. In listing his grievances against the No. 1 man of the Cabinet, Foster denounced Byrnes for getting "tough" with Foreign Commissar Molotov at London, for his refusal to accord recognition to the Communist-dominated governments of Rumania and Bulgaria, and for his insistence that Gen. Douglas MacArthur retain the dominant voice in the control of Japan instead of having to share his authority with British, Russians and Chinese.

The last time Communist pickets were seen on Pennsylvania Avenue was in the

Spring of 1941. Night and day they plodded up and down before the White House, arguing (by means of placards) that President Roosevelt was a warmonger and denouncing conscription, convoys, and lend-lease aid to Britain.

The picketers disappeared on June 21, 1941. This was a wonderful (and still unexplained) bit of timing, because next day Hitler tore up his friendship pact with Stalin and sent the German Army crashing into Russia.

Government specialists, whose job it is to follow the "party line," say that Communist strategy right now is (1) to stir up industrial strife in the United States in the hope of taking Americans' minds away from foreign affairs, and (2) to demand that all American troops be brought home so that the field will be left to Russia, her puppets and sympathizers.

The American specialists on the party line report something else. They say that the Communist Party in the United States is in bad shape. If it were not, they say, why then is Foster forever reproaching the comrades for their lack of discipline and their lack of zeal?

Backstage with GOP

KLEIG-LIGHTED political conferences such as the Republican National Committee meeting in Chicago recently are not nearly as important as the spade work that goes on week after week, outside of the glare of publicity.

For example, one of the major objectives of the Republican Party is to win back the Negro voters. This means a lot to the GOP, for in many states—New York, Pennsylvania, Illinois and Ohio, to name a few—the Negro vote often represents the margin of victory.

Republican strategists, in their more candid moments, say that the political genius of FDR was never better illustrated than in the case of the Negroes. He was the first politician to figure out that the Democratic Party could woo the Negro and at the same time hold on to the Solid South.

It was a daring bit of political strategy, as the author of it himself was daring, but it worked. The Negro vote became a highly important element in the victory coalition that Roosevelt formed and which the Republican Party is now trying to smash.

Prediction for '48

NATIONAL CHAIRMAN Herbert Brownell has set up a unit in the party organization to work toward bringing back Negro Republicans. It is the National Council of Negro Republicans, and its chairman is Joseph V. Baker of Philadelphia. At the conclave in Chicago, Brownell emphasized the importance of the council and charged that the Truman Administration had been showing a "hostile attitude" toward Negroes.

The GOP publicity organization, headed by William C. Murphy, Jr., gathers much of its ammunition from

Negro Democrats like Representative Adam Clayton Powell, of New York, husband of Hazel Scott.

Representative Powell, a fiery individual, recently denounced Senator Bilbo and Representative John Rankin, Mississippi Democrats. He said that they were "the undisputed leaders in the United States today," and he predicted that if the Democrats did not go back to the "Roosevelt way," there "will be a Republican President in the White House in '48 . . ."

Edgar G. Brown, of the National Council of Negro Republicans, cheered Democrat Powell's speech and awarded him a \$5 prize for the best argument on "Why the Negro should support the Republican Party."

General Ike has "it"

SEN. ARTHUR CAPPER, Kansas Republican, is far from being alone in thinking that Gen. Dwight D. Eisenhower would make a fine President of the United States.

A famous political writer was watching "Ike" on the night of the annual banquet of the National Press Club. The conqueror of the Germans in the West was at the head table, a few seats removed from President Truman. He had just been introduced, and as applause rocked the banquet hall he charmed everybody with his modest demeanor and crooked smile.

The veteran political commentator joined in the ovation and said:

"I don't know whether that fellow is a Republican or a Democrat, but he is the most attractive Presidential prospect I have seen in many a year. The people, I believe, not only admire him but have real affection for him. They sense that he has the real democratic spirit and that he is genuinely modest. They know, too, that he is a great leader and an administrator who knows how to get people to work together."

"All this is in his favor. But he has another qualification that is much in his favor. He is tough. He has what it takes to stand up under the killing job that we give to our Presidents."

It could happen

WHAT DOES General Eisenhower have to say about it? Actually, he began to hear the Eisenhower-for-President talk as far back as last spring when he still had his HQ at Versailles.

At that time one of his aides said that the General would consider the Presidency on one condition only—that both of the great parties nominate him. This, in its way, was just as loud a "no" as Sherman's famous remark that if nominated he would not run, and if elected would not serve.

Looking ahead to 1948, the Democrats of course have no choice but to nominate Mr. Truman for a full four-year term in the White House. To do otherwise would be to admit the party's failure.

Right now the two Republicans most

talked about for the GOP nomination are Harold Stassen and John Bricker.

Libraries for Britain

WHEN the documents in the Anglo-American financial agreement were given out at the State Department, a newspaper reporter ran across a paragraph that puzzled him. It was buried in the \$650,000,000 Lend-Lease settlement, and it provided that Great Britain would turn over to the United States pounds sterling to an aggregate value of \$50,000,000.

What mystified the reporter was this:

"The Government of the United States will use these pounds sterling to acquire or construct buildings in the United Kingdom and the colonial dependencies for the use of the Government of the United States, and for carrying out educational programs in accordance with agreements to be concluded between the two governments."

What educational programs? And what did all this have to do with a \$3,750,000,000 loan to Britain?

The reporter finally ran down the answer. The provision had been put into the settlement by Assistant Secretary of State William Benton, the advertising go-getter who succeeded Archibald MacLeish as head of the State Department's Division of Cultural and Public Relations.

Benton, it turned out, wanted the \$50,000,000 to pay for scholarships and to establish American libraries in Britain, India, Australia and other parts of His Majesty's Empire. It would be a part of a propaganda campaign to help foreigners know and understand the United States. Benton has been fearful that Congress might not be in the mood to make liberal appropriations for this.

Stalin's health

HOW SICK is Marshal Joseph Stalin? The best answer would seem to be that the Russian leader was worn out when the war ended and was smart enough to do something about it. There is reason to believe, too, that he was greatly shocked by President Roosevelt's death and realized that, unless he took a rest, he might soon follow him to the grave.

When Stalin traveled to Yalta last winter, he made the journey by plane. However, when he went to Potsdam last summer, he moved by train—a grueling, four-day trip from Moscow, much of it over rails that had to be laid hurriedly by Red Army engineers. This indicated that Stalin might be suffering from a bad heart.

One way to live to a ripe old age, it has been said, is to get a disease and nurse it carefully. Stalin, therefore, might take care of his heart and add a good many more years to his present 66.

Top officials in Washington certainly hope he does, anyway. Whatever they may think of the Russian political system, they have the utmost respect for Stalin.



It Will Introduce You To Cooperative Labor And Lower Production Costs

This New Twenty-eight Page Book, "Colorado—Strategic Center of America's Markets," brings you dramatic facts about Colorado that can prove of vital importance to the growth of your business . . . shows how you can operate your plant in Colorado at lower cost—with full cooperation from labor—and enjoy life while you're doing it. Get the facts about this fast-growing industrial empire. Send today for this interesting, informative book. It's free.

COLORADO Offers You These Advantages

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Colorado skilled labor is mostly of pioneer Western stock . . . loyal, efficient, and cooperative.

CENTRAL LOCATION

Strategic central location ties you closely to nation's markets, with considerable saving in shipping costs.

ABUNDANT RESOURCES

Plentiful natural resources and raw materials for every type of industry, all quickly accessible.

LOW COST FUEL AND POWER

Coal, oil, natural gas at low rates. Ample electric power available now—other projects nearing completion.

FINE LIVING CONDITIONS

Excellent housing conditions throughout the state. No tenements or factory districts. Good schools and colleges.

HEALTHFUL ALL-YEAR CLIMATE

Colorado workers enjoy vigorous health, with minimum loss of time from sickness. 300 sunny days a year.

VALUE OF MANUFACTURED GOODS PRODUCED PER WAGE EARNER 29.6% ABOVE NATIONAL AVERAGE

Evidence of the high productivity of Colorado labor is shown in the latest figures compiled by U. S. Bureau of Census. Based on this report, the value of manufactured goods produced per wage earner in Colorado is 29.6 per cent above the national average. This is largely due 1) to the high type of labor; 2) to the minimum loss of time from sickness, and, 3) to increased efficiency in Colorado's famous mountain climate.

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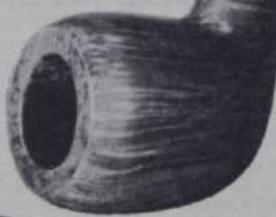


This gentleman is the inventor of the "inside-outside" pipe. (From an old print)

WHEN YOU'VE GOT
A SWEET SMOKING

LHS
STERNCREST
STERLING

There are no tricks nor hocus pocus in pipe-making. All you need are the finest materials, a style sense, and pipe "know how". LHS has them all. You can own an LHS from \$1 to \$10. At your dealer's.



IMPORTED BRIAR
STERLING SILVER BAND

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LHS Sterncrest 14K 7.50
LHS Certified Purex 3.50
LHS Purex Superfine
Domestic Briar 1.50

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Model No. 46.
Plain Finish.
Dozens of
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in Plain or An-
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JANUARY • 1946

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